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Wednesday,
19th November, 1952

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

PARLIAMENT SECRETARIAT
NEW DELHI

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THE
PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

HOUSE OF THE PEOPLE

Wednesday, 19th November, 1952

The House met at a Quarter to Eleven of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

MULTI-PRESS BROADCASTS

***463. Sardar Hukam Singh:** Will the Minister of **Communications** be pleased to state:

(a) whether the extent and the standard of service in the Multi-press Broadcasts in Delhi station are satisfactory and up to requirements; and

(b) whether this Centre is equipped with radio telephony and radio picture services in addition to telegraphy?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) The service is fairly satisfactory at present except to North South America. There will be an improvement in the standard of this service when the new equipment under the Five Year Plan is installed at Delhi.

(b) No.

Sardar Hukam Singh: When is this new equipment expected to arrive?

Shri Raj Bahadur: No definite date can be fixed, but of course, it is on our schedule of programme.

Sardar Hukam Singh: May I know whether most of our overseas services are still carried on through London?

Shri Raj Bahadur: A number of them are carried on through London, whereas with a number of other countries, we have got direct independent connections.

Sardar Hukam Singh: What are the stations with which Delhi is directly connected on radio, besides London?

Shri Raj Bahadur: It is a long list, but so far as this particular service is concerned, namely the multi-address broadcasts, we are connected with London and Moscow directly. There is as well a direct link between Delhi and Bombay.

Sardar Hukam Singh: May I know whether any representation has been made by foreign Embassies or consular bodies requesting India to have this modern equipment very soon?

Shri Raj Bahadur: I am not quite aware of that.

Shri S. C. Samanta: May I know, Sir, whether any new equipments are to be bought now?

Shri Raj Bahadur: I have already said that it is part of our Five-Year Plan. We are going to do that.

INDIA-U.K. SHIPPING SERVICE

***464. Dr. Ram Subhag Singh:** Will the Minister of **Transport** be pleased to state whether it is a fact that an Indian shipping undertaking which has a service on the India-U.K. route is likely to close that service by reason of the line being unremunerative.

The Minister of Railways and Transport (Shri L. B. Shastri): Apparently the reference is to the passenger service which the Scindia Steam Navigation Co. Ltd., Bombay, has been running on the India-U.K. route. The company has been finding this service unremunerative and is desirous of discontinuing it.

Dr. Ram Subhag Singh: Is it a fact that, having in view the financial difficulties of Indian shipping undertakings, the earlier allocation of money made to them for expansion of Indian shipping, would be increased now?

Shri L. B. Shastri: We are already considering this matter, and in fact, the main reason for the loss, is the size of the ships, and their number, being only two. That is, the ships should have been of a bigger size with more carrying capacity of passengers plus cargo. And secondly, the number of ships should have been more, that is, if there are at least four ships, then it might become economic. They have asked for subsidies and the matter is under consideration, and it will go up before the Economic Committee of the Cabinet.

Dr. Ram Subhag Singh: Do Government intend to lower the rate of interest on the loan which has been given to them, *i.e.* the shipping companies having services between India and U.K.?

Shri L. B. Shastri: I have already informed in answering a question last time in this House, that the rate of interest has already been reduced to 2½ per cent.

Shri H. N. Mukerjee: Could the Minister please tell us how much of the tonnage of Indian shipping operating between India and the U.K. is Indian-owned, and how much of it is chartered? Could he also tell us if this has anything to do with the reasons for the failure of the Indian shipping companies?

Shri L. B. Shastri: There are only two Indian passenger ships plying on the India-U.K. route, and of course, the remaining are foreign ships. I have just told the House that the loss is due to the ships being limited to two only, and the Scindia Navigation Co., have asked for subsidies, and Government is already considering the matter.

Shri H. N. Mukerjee: Are the ships owned by the Indian concerns, or are they chartered from some other foreign companies.?

Shri L. B. Shastri: They are owned by the Indian companies.

Shri V. P. Nayar: May I know to what extent the unremunerative nature of this service depends on the monopoly of foreign-owned shipping?

Shri L. B. Shastri: I have already given the reasons. That is the only reason for the loss that is being incurred.

Shri V. P. Nayar: I wanted to know the extent, not the reasons.

Mr. Speaker: He assumes that there is a monopoly. Is that so?

Shri L. B. Shastri: There is no monopoly. When the Indian shipping company is allowed to ply ships, the question of monopoly does not arise.

Mr. Speaker: The question was based on that assumption.

Shri Achuthan: What is the amount of subsidy that the Company has asked for?

Shri L. B. Shastri: Their loss come to about Rs. 22 lakhs in 1950. I cannot give you the exact figure that they have asked for, but it must be something about Rs. 10 to 11 lakhs per year.

Shri Nambiar: May I know, Sir, whether the Government have enquired into the reasons as to how this unremunerativeness has come about?

Mr. Speaker: I think he has explained that their running is uneconomic.

Shri Nambiar: I asked whether they have enquired as to why it has become unremunerative.

Mr. Speaker: Next question.

DEATHS FROM STARVATION

***465. Shri S. N. Das:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) the total number of cases in which reports from individuals, parties or newspapers were received regarding deaths having occurred due to starvation during 1952 from the various scarcity areas in different States;

(b) the number of cases in which enquiries were held; and

(c) the cases in which enquiries showed that death was really due to starvation?

The Deputy Minister of Food and Agriculture (Shri M. V. Krishnappa): (a) to (c) A statement containing the information as received from the State Governments is placed on the Table of the House.

STATEMENT

Starvation Deaths.

State	Total No. of cases reported	No. of cases enquired into	No. of cases still under consideration	No. of cases in which death was really due to starvation	Remarks
Assam	25	25	..	..	
Bihar	72	61	11	*2	*(Suspected due to starvation or mal-nutrition).
West Bengal	281	148	133	..	
U. P.	229	205	24	..	
Vindhya Pradesh . .	..	..	..	..	
Manipur	7	7	..	..	
Mysore	15	15	..	..	
Bombay	32	32	..	..	
Rajasthan	..	..	..	..	
Madras	106	106	..	..	
TOTAL .	767	599	168	2	

Shri S. N. Das: May I know, Sir, the agencies in general through which these enquiries were made?

Shri M. V. Krishnappa: We enquire of the various Governments concerned, and they carry on the enquiry.

Shri S. N. Das: May I know whether Government has taken the trouble to enquire through which agencies the State Government make these enquiries?

Shri M. V. Krishnappa: Probably through their officials.

Shri S. N. Das: May I know whether those officials belonged to the Police or were they officials higher up?

Shri M. V. Krishnappa: We have no information from the State Governments.

Shrimati A. Kale: May I know whether Government has any statistics regarding the half-famished people?

Mr. Speaker: Order, order.

Shri S. N. Das: Out of the total number of cases reported, how many reports were from individuals, how many from parties and how many from newspapers?

Shri M. V. Krishnappa: That we have given in the statement laid on the Table.

Shri S. N. Das: No mention has been made in the statement.

Mr. Speaker: Order, order.

Shri S. S. More: Have Government received any report about starvation deaths—three or four—from the village of ginti, Karmara Taluk in Sholapur District?

Shri M. V. Krishnappa: I think it is also given

Mr. Speaker: I think it is no use going into details, now. It is done by the States. If hon. Members want any information, they can put specific questions. It is no use wasting time over a thing, in respect of which there is no information, available here.

Shri S. N. Das: May I ask one more question?

Mr. Speaker: He may go to the next question.

GANGA BRIDGE

*466. **Shri S. N. Das:** (a) Will the Minister of **Railways** be pleased to state what steps, if any, have been taken by Government for the construction of a bridge over the river Ganga at Mokameh ghat?

(b) What is the estimated expenditure on this account?

(c) How much time will it take to complete the construction?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) It has been decided to resume work on the construction of the bridge over the Ganga at Mokameh Ghat. An

Officer on Special Duty has been appointed to carry out preliminary work on the project. He is expected to take up duty shortly.

(b) The estimated cost of the combined road-rail bridge is Rs. 13·5 crores, subject to revision due to changes in the design yet to be finalised.

(c) The construction will require about 5 years to complete.

AIR AGREEMENT WITH PHILIPPINES

***467. Shri A. M. Thomas:** (a) Will the Minister of **Communications** be pleased to state whether any new Air Agreement has been entered into between the Government of India and the Philippines Government?

(b) If so, what are the modifications made from the 1949 Agreement?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) No, Sir.

(b) Does not arise.

Shri A. M. Thomas: May I know whether any Multilateral agreement has been entered into concerning Inter-national air transport to which India and the Philippines are parties? If so, which are the other parties?

Shri Raj Bahadur: An international air agreement has been entered into to which all countries are parties. India and Philippines are also parties to the agreement.

Shri A. M. Thomas: Has any separate agreement been come to with other countries, on the lines of the agreement between the Republic of Philippines and India?

Shri Raj Bahadur: There is a separate agreement between India and Philippines made in the year 1949.

Mr. Speaker: The hon. Member wants to know whether there is any similar agreement with other countries.

Shri Raj Bahadur: There are similar agreements with about 11 countries. If the hon. Member wants the names. I shall give them.

ARECANUT INDUSTRY

***468. Shri C. R. Iyyunni:** (a) Will the Minister of **Food and Agriculture** be pleased to state the quantity of arecanut manufactured in each of the various States?

(b) What are the prices of the articles manufactured from arecanut?

(c) Has the industry suffered on account of the unexpected fall in prices?

(d) What is the quantity of arecanut imported from outside and which are the countries from which it is imported?

(e) What is the number of people employed in the industry in each State?

The Deputy Minister of Food and Agriculture (Shri M. V. Krishnappa): (a), (b) and (d). A statement is laid on the Table of the House. [*See* Appendix III, annexure No. 1]

(c) Yes.

(e) Proper statistics are not available. A rough estimate places the total figure at about 30 lakh persons.

Shri C. R. Iyyunni: May I know what is the cost of production of the four varieties, chali, desavaram, choor, and erasal, per pound?

Shri M. V. Krishnappa: I have not got the figures for the cost of production with me here.

Shri C. R. Iyyunni: May I know whether any steps have been taken by the Government to see that the articles produced in India do fetch a proper price?

Shri M. V. Krishnappa: There is an Indian Central Arecanut Committee which will recommend to the Government various measures that are to be taken for the protection of this industry, and the Government will act accordingly. I would like to inform the hon. Member that the Indian Central Arecanut Committee has sanctioned schemes for the control of arecanut in the States of Travancore-Cochin, Mysore and Bombay, and these schemes will be started early next year.

Shri C. R. Iyyunni: May I know whether there is any import duty on the arecanut that is imported into India?

Shri M. V. Krishnappa: Yes, there is.

Shri C. R. Iyyunni: May I know whether an increase in the import duty will not give the desired effect...?

Mr. Speaker: That is a suggestion for action.

Shri Velayudhan: May I know whether it was the import of large quantities of arecanut from foreign countries, that was responsible for the fall in prices of the locally produced arecanut?

Shri M. V. Krishnappa: We are receiving of late, reports from the representatives of various growers and also the trade that on account of indiscriminate imports, the prices of arecanut are falling down. We are receiving such reports.

Shri B. S. Murthy: May I know whether there is any truth in the allegation that the standard has gone down?

Shri M. V. Krishnappa: Our arecanut is of the most superfine quality, while the ones imported from Singapore and Ceylon are all wild crops grown in the forests.

Shri Punnoose: Have the Government received any representation from arecanut growers that the quantity of imports be reduced?

Shri M. V. Krishnappa: Yes, we are receiving such reports.

Shri Damodara Menon: Have the Government taken any steps regarding these representations?

Shri M. V. Krishnappa: Not yet.

Shri Achuthan *rose*—

Mr. Speaker: Order, order. I am going to the next question.

MANGALORE AERODROME

***469. Shri C. R. Iyyunni:** Will the Minister of **Communications** be pleased to state:

(a) whether the construction of the aerodrome at Mangalore is over; and

(b) if so, when the air service at Mangalore will be available for use?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) and (b). The aerodrome at Mangalore is nearing completion and it is expected that scheduled air services will start operating to and from Mangalore by the end of this Calendar year.

Mr. Speaker: Now question No. 470.

Sardar Hukam Singh: Question No 490 also may be taken up along with this.

Mr. Speaker: Is Mr. Sodhia present here?

Shri K. C. Sodhia: Yes, Sir.

Mr. Speaker: I believe it is convenient to the hon. Minister to answer both these questions together.

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): Yes, Sir.

MOTOR VEHICLES TAXATION ENQUIRY COMMITTEE REPORT.

***470. Shri S. N. Das:** (a) Will the Minister of **Transport** be pleased to state which of the recommendations of the Motor Vehicles Taxation Enquiry Committee have been accepted and implemented by the Government of India and the various State Governments?

(b) Which of the important recommendations are still under consideration of Government?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) and (b). No decision has yet been taken by the Central and State Governments on the recommendations of the Motor Vehicle Taxation Enquiry Committee.

MOTOR VEHICLES TAXATION

***490 Shri K. C. Sodhia:** Will the Minister of **Transport** be pleased to state whether Government have come to any decision on the recommendations of the Transport Advisory Council regarding motor vehicles taxation made in April 1951?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): Attention is invited to my reply to Starred Question No. 470 asked by Shri S. N. Das today.

Shri S. N. Das: May I know whether the recommendations of this Inquiry Committee were considered by the Transport Advisory Council at any time, and if so, what were the decisions of the Advisory Council?

Shri Shahnawaz Khan: The decisions were considered by the Transport Advisory Council, and at present the whole matter is between the Technical Committee and the State Governments?

Shri S. N. Das: May I know when that Technical Committee was appointed, and by what time it was asked to submit its report?

Shri Shahnawaz Khan: It was appointed in August 1952, and has finished its deliberations. The report will be ready by December.

Sardar Hukam Singh: May I know whether any ceiling for sales tax on petrol has been fixed according to the recommendation of this Advisory Council?

Shri Shahnawaz Khan: As I have said before, no definite decision has yet been taken.

Sardar Hukam Singh: May I know whether there are still any inter-State taxes or other cesses chargeable on vehicles just at present?

The Minister of Railways and Transport (Shri L. B. Shastri): Yes, that is so.

Shri B. S. Murthy: May I know what are the terms of reference?

Mr. Speaker: Order, order. It seems that the question has been asked merely because some question has to be asked.

Shri V. P. Nayar: Have Government made any inquiries as to the number of buses and other vehicles registered by the bus owners with wrong information regarding wheel-base, seating capacity etc.?

Shri Shahnawaz Khan: It is for the State Governments to make such inquiries.

Sardar Hukam Singh: May I know whether the Government proposes to bring all these taxes on vehicles in the different States on a rational and uniform basis?

Shri L. B. Shastri: A Technical Committee has been appointed for the same purpose, and it has already had discussions with the representatives of several States. It is expected that they will be able to finish the remaining States by the end of December.

Sardar Hukam Singh: But that recommendation was made by the Advisory Council in April 1951. What is the reason for the delay in arriving at a decision?

Shri L. B. Shastri: No final decision was taken, the matter was considered and discussed by the Advisory Council. The recommendations were again referred to the various States for ratifying the conclusions that were arrived at by the Council. Some of the State Governments did not agree to them, and have not ratified them And so this Technical Committee was appointed further to go into the matter, and arrive at some final decision.

Rural Post Offices

*471. **Shri B. K. Das:** Will the Minister of **Communications** be pleased to state:

(a) the number of self-supporting post offices under the "a post office for a village having two thousand and above population" Scheme;

(b) the total loss incurred on such post offices; and

(c) the total loss incurred during the first six months of this year for post offices started without any liability on the beneficiaries?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) 7,798.

(b) Presumably the Member is referring to Village Post Offices which are not self-supporting. In that case the loss is Rs. 67,40,914/-/- up to the end of September 1952.

(c) Rs. 20,10,631/-/-.

Shri B. K. Das: May I know the total number of post offices started under this 'a post office for a village having two thousand and above population' scheme?

Shri Raj Bahadur: At the end of September, the number was 17,850, for the villages.

Shri B. K. Das: Has the scheme been completed, or the work is still going on?

Shri Raj Bahadur: It is still going on.

Shri B. K. Das: How many post offices are still to be started?

Shri Raj Bahadur: An exact figure is not possible, because the population keeps on increasing.

Shri B. K. Das: Am I to understand that still more post offices are to be opened in villages with a population of two thousand and above according to the latest census?

Shri Raj Bahadur: Yes, they will be opened.

Shri B. K. Das: May I know, Sir, whether the non-returnable contribution scheme is also continuing?

Shri Raj Bahadur: It is.

Shri T. S. A. Chettiar: Among the post offices in villages with a population of 2,000, how many have turned out to be deficit?

Shri Raj Bahadur: Deficit? The number is 10,092.

Shri N. Sreekantan Nair: May I know, Sir, out of the 8000 odd rural post offices, how many engage departmental Postmasters and how many non-departmental Postmasters?

Shri Raj Bahadur: Mostly they are extra-departmental Postmasters.

सेठ अचल सिह : इस स्कीम के अन्दर उत्तर प्रदेश में कितने पोस्ट आफ़िस खोले गये ?

श्री राजबहादुर : उत्तर प्रदेश में दो हजार की आबादी वाले गांवों की संख्या जिन में डाकखाने खोले गये हैं २३७६ हैं ।

श्री श्यामनन्दन सहाय : और बिहार में ?

श्री राजबहादुर : बिहार में २१२६ ।

Mr. Speaker: We need not go into that.

Shri B. K. Das: May I know, Sir, whether the Government incurred any loss with regard to post offices started under the non-returnable contribution scheme?

Shri Raj Bahadur: The Government bear a loss upto a limit of Rs. 750. Beyond that if in a certain village where the population is less than 2000 the people come forth with offers to contribute and make up the loss, the loss above Rs. 750 is borne by them.

Pandit Munishwar Datt Upadhyay: May I know, Sir, whether these post offices are expected to be self-supporting and, if so, by what time?

Shri Raj Bahadur: It is very difficult to predict, but we hope that in the course of years they will be.

ENTERIC DISEASES

*472. **Shri V. P. Nayar:** Will the Minister of **Health** be pleased to state whether any statistics has been collected regarding the number of persons who die in India owing to various enteric diseases every year?

The Deputy Minister of Health (Shrimati Chandrasekhar): A statement showing recorded number of deaths from Enteric Fevers in some of the States during the years 1948, 1949 and 1950 is placed on the Table of the House. [*See* Appendix III, annexure No. 2]

Information in respect of other States is *not* available.

Shri V. P. Nayar: Have the Government made enquiries into the transmission of enteric diseases due to the sale of unhygienic food in hotels?

Mr. Speaker: He wants statistics as regards deaths?

Shri V. P. Nayar: No, the number of persons who die owing to various diseases, because there cannot be any death without disease.

Mr. Speaker: Then he need not put any further question. He may put the next question.

Shri V. P. Nayar: We are having a Minister and a Deputy Minister.......

Mr. Speaker: Whatever it may be. The administration, the hon. Member will be pleased to see, is entirely in the hands of the States.

Shri V. P. Nayar: I only want all-India figures.

Mr. Speaker: He can ask for figures; but he cannot go into the causes.

Shri V. P. Nayar: Are the statistics based only on figures, which are available from the the hospitals or are they also made by ventures into surmises?

Mr. Speaker: Order, order. He is making a suggestion which is not proper. He can put a question if he likes.

TUBERCULOSIS

*473. **Shri V. P. Nayar:** (a) Will the Minister of **Health** be pleased to state whether Government have any definite programme to eradicate completely Tuberculosis in India?

(b) If so, what is the result, if any, achieved so far?

(c) What time will such a programme take to achieve the desired results?

The Minister of Health (Rajkumari Amrit Kaur): (a) to (e). The desideratum, however much desired by every one has so far not been achieved anywhere. Complete eradication of T.B. has not been possible even in the more advanced countries which have much better resources in money and trained personnel. All that can be and is being attempted is to reduce the incidence of T.B. to the minimum possible. Both the Central and State Governments are doing what is possible in the matter with available resources.

Shri V. P. Nayar: With the efforts so far made, has it been possible for the Government to check the increased incidence of tuberculosis?

Rajkumari Amrit Kaur: Sir, it is too general a question for me to answer, because statistics are not available. I have to admit that the incidence of T.B. is growing because of various causes.

Shri V. P. Nayar: The other day the hon. Minister said that we are having roughly about 5 million T.B. patients in the country. May I know, Sir, whether the Government have any scheme to save the lives of these 5 million people from this dreadful malady?

Rajkumari Amrit Kaur: Sir, a very great deal is being done. Preventive measures are being taken more and more and if the hon. Member will read the report of the Planning Commission when it comes out, he will realise what we are attempting to do and proposing to do.

Shri Veeraswamy: May I know, Sir, whether the Government think it possible to eradicate this terrible disease to any appreciable extent without increasing the standard of living of the people.......

Mr. Speaker: Order, order. He is making a suggestion

Shri A. N. Vidyalankar: Is it a fact that a large nomber of cycle rickshaw pullers fall victims to T.B. in a short time? If it is so, what special measures are being taken to save them from falling victims to this disease?

Mr. Speaker: I think it is a matter for the State Governments. Hon. Members seem to think that because asking for general information is permissible here, therefore asking on everything else concerning that disease is also permissible. That is the whole difficulty.

AIR INDIA EMPLOYEES

***475. Shri N. Sreekantan Nair:** Will the Minister of **Communications** be pleased to state:

(a) how many Air India employees have been recently proceeded against and in how many cases disciplinary action was taken;

(b) how many were dismissed; and

(c) the reasons for taking disciplinary action?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) Twenty-one employees were proceeded against by the company and disciplinary action was taken against all of them.

(b) Ten.

(c) (i) Taking part in a wrongful strike; (ii) inciting employees to go on a wrongful strike; (iii) staging and leading demonstration; and (iv) leaving place of duty without permission.

Shri N. Sreekantan Nair: Are the Government aware that in trade disputes certainly trade union representatives will have to incite occasionally. . . .

Mr. Speaker: Order, order. He may put questions now with reference to the particular company and the particular strike. Let us not go into a general discussion

Shri Nambiar: May I know, Sir, whether these employees who were dismissed are going to be reinstated? Have any representations been received from them?

Shri Raj Bahadur: Whether any representations have been received or not is known to the Managing Board of the air company concerned.

Shri K. K. Basu: Have the Government ascertained whether the allegations made against the discharged employees are correct or not?

Shri Raj Bahadur: That was an internal affair of the company itself.

Shri Nambiar: May I know, Sir, whether the Government will inquire into the necessity of the reinstatement of these men in view of the fact that many are dismissed?

Shri Raj Bahadur: I repeat my answer, Sir.

Mr. Speaker: It is a suggestion for action also.

Shri K. Subrahmanyam: Is it a fact that the Central Labour Minister wanted to intervene in the dispute but was prevented from doing so?

Shri Raj Bahadur: It may be put to the Labour Minister, Sir.

INTERNATIONAL HOSPITAL FEDERATION

***476 Shri M. S. Gurupadaswamy:** (a) Will the Minister of **Health** be pleased to state whether India is a member of the International Hospital Federation and if so, for how long?

(b) What are the benefits accrued from such membership?

The Deputy Minister of Health (Shrimati Chandrasekhar): (a) Yes; since 1951.

(b) The benefits of membership of the Federation are:

(1) the opportunities afforded for exchange of ideas and experience about problems of hospital management and

(2) the opportunities provided to Indian experts to serve on international study committees dealing with hospital problems.

Shri M. S. Gurupadaswamy: May I know, Sir, whether any code of hospital standards has been drawn up by this Federation?

Shrimati Chandrasekhar: No.

Shri M. S. Gurupadaswamy: May I know, Sir, whether in the recent conference a draft code of hospital standards was discussed and no conclusions have been arrived at?

Shrimati Chandrasekhar: Our representatives did not attend it because it was held in Europe.

Shri M. S. Gurupadaswamy: May I know which are the various countries which have joined this Federation?

Shrimati Chandrasekhar: The member may give notice and I will provide the information later on.

Shri Gidwani: Has this given opportunities to certain officers and members to go on a visit to Europe and other countries?

INTERNATIONAL AIR LINES

*477. **Shri Velayndhan:** Will the Minister of **Communications** be pleased to state:

(a) whether any increases in fares has taken place in the International air lines recently; and

(b) if so, whether it has affected the Indian air lines too?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) Yes, on certain sectors.

(b) Air fares on certain sectors of international services operated by Indian air lines have also increased.

Shri Velayudhan: May I know, Sir, whether there is any mutual agreement regarding this fare increase between the foreign companies and the Indian companies?

Shri Raj Bahadur: These are always considered by the International Air Transport Board.

Shri Velayndhan: May I know, Sir, how far the air fare in India is increased on the basis of the decision of that body? What percentage of increase?

Shri Raj Bahadur: It is difficult to calculate the percentage. I have got a statement regarding changes in fares and if my hon. friend refers to any particular route, I shall try to give him the fare for the same.

Shri K. K. Basu: Has the Government any say in the increase of these Air Line fares?

Shri Raj Bahadur: There is a body known as the Air Transport Licensing Board which considers these increases of fares, and, of course, Government is represented on that Board.

Shri N. Sreekantan Nair: What is the increase in fare from Delhi to Ernakulam?

Shri B. S. Murthy: What factors are taken into consideration by that Board in increasing the fares?

Shri Raj Bahadur: The main criteria are, the cost of operation, the characteristics of the route, the type of aircraft used, with its capacity, speed, comfort and other economic and competitive factors.

EXPERIMENTAL FARMS

*479. **Shri Chinaria:** (a) Will the Minister of **Food and Agriculture** be pleased to state how many experimental farms under the Central Government are there in India?

(b) Have they any co-ordinated plan of research and experiments?

The Deputy Minister of Food and Agriculture (Shri M. V. Krishnappa): (a) There are twenty-two experimental farms under the control of 9 research Institutes and Commodity Committees. There are in addition 5 farms for the production of fodder for cattle belonging to two Veterinary and Dairy research Institutes.

(b) Yes. The co-ordination of schemes of research is achieved by the Board of Research of the Indian Council of Agricultural Research.

Shri Chinaria: May I know, Sir, what was the acreage under food crops and tonnage of foodgrains in 1946-47 and what were the same in 1951-52? What increase in area. . . .

Mr. Speaker: I am afraid it will be difficult for the House to follow. Let the first part of the question be answered.

Shri Chinaria: I wanted to know Sir, what was the increase in produce and area during this period and what percentage of increase was due to this research?

Mr. Speaker: I think it will be better if he puts a separate question for the details.

Shri M. V. Krishnappa: Yesterday our Minister has given it, Sir.

Shri Chinaria: May I know, Sir, what was the date from which the Grow More Food Campaign was put on a war footing and what time did it take the Indian Council of Agricultural Research to get at the idea that dissemination of agricultural information was necessary?

Mr. Speaker: Can the hon. Minister give that information?

Shri M. V. Krishnappa: No, Sir.

Shri A. M. Thomas: May I know, Sir, whether the cost of production in these farms forms any basis for the fixation of prices by Government?

Shri M. V. Krishnappa: I want notice for that.

Ch. Ranbir Singh: May I know, Sir, how many of these farms are self-supporting?

The Minister of Food and Agriculture (Shri Kidwai): They are experimental farms and they are not expected to be self-supporting.

Pandit Munishwar Datt Upadhyay: What is the total expenditure on them?

Shri Kidwai: These experimental farms are attached to different institutions and if the hon. Member wants information about any, it can be given.

Shri B. N. Misra: May we know whether the experiment carried out in these farms have in any way affected the growing of crops in our country?

Shri Kidwai: They are expected to do so.

FAMINE CODE

***480. Shri Tushar Chatterjea:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) what steps the Government of India have taken to implement the statement made by the Minister of Food on the 17th September, 1952 that the Famine Code should be amended to suit the present chronic famine conditions of the country;

(b) whether any emergency measure has been taken or is proposed to be taken to meet the needs of the situation till the Famine Code is not finally amended; and

(c) whether the Government of India have collected detailed facts regarding the number and percentage of people deserving the benefit of the Famine Code and if so, what are the detailed facts?

The Deputy Minister of Food and Agriculture (Shri M. V. Krishnappa): (a) to (c). Every State has a separate Famine Code of its own and the question of amending these Codes is a State subject and not a Central subject. The statement made by Dr. Deshmukh was intended to focus the attention of the State Governments to the need for amending those Codes so that they may cater for the present day needs.

Shri Tushar Chatterjea: May I know whether the Government have received any reports from the State Governments in this regard?

Mr. Speaker: For amending the Famine Code? It is a matter entirely within their jurisdiction. They can change it as they like.

Shri Tushar Chatterjea: Are the Government aware that in many parts of West Bengal people on the verge of starvation are not getting either gratuitous relief or test works due to stringency of the Famine Code and, if so, what steps have been recommended?

Mr. Speaker: It is for the West Bengal Assembly

Shri K. K. Basu: Does the Government propose to have an uniform Code throughout India?

The Minister of Food and Agriculture (Shri Kidwai): Needs of each part of the country are different from those of other parts of the country.

THEFT OF COAL FROM RAILWAY WAGONS FROM KATNI.

***481. Sardar A. S. Saigal:** (a) Will the Minister of **Railways** be pleased to state whether it is a fact that coal is stolen from Railway wagons at Katni on the Central Railways?

(b) If the answer to part (a) above be in the affirmative, since how long these thefts are going on?

(c) What steps have Government taken to stop these thefts?

(d) How many persons are involved in these thefts?

(e) Is it a fact that 8 tons of coal have been recovered from the houses of some persons?

(f) Are they connected with the Railway in any manner?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) It is not a fact that coal is stolen from coal wagons at Katni. Thefts of coal, however, have occurred in the Eastern Railway loco shed there.

(b) Thefts of coal came to prominent notice in October, 1951.

(c) Surprise joint raids by watch and ward and Government Railway Police with Railway employees of other Departments as witnesses, are being frequently organised. Two uniformed watch and ward men have been posted at Katni to guard the Eastern Railway coal stacks.

(d) Some 6 or 7 persons are believed to be involved in the theft.

(e) About 7 tons of coal have been recovered from the godowns and huts of the suspects.

(f) The suspects are not connected with the Railway.

Sardar A. S. Saigal: Will the Minister be pleased to inform the House as to the total amount of theft?

Shri Shahnawaz Khan: We do not have the exact figure.

श्री आर० बी० शाह : क्या आमला जंक्शन पर भी इस तरह की चोरी की रिपोर्ट मिली है ?

Shri Shahnawaz Khan: I will be glad for the information.

PALM *GUR* INDUSTRY

*482. **Shri Jhulan Sinha:** Will the Minister of **Food and Agriculture** be pleased to state the amount of expenditure incurred by the Central Government for development of Palm *Gur* industry?

The Deputy Minister of Food and Agriculture (Shri M. V. Krishnappa): Expenditure incurred by the Central Government upto September, 1952:—

(i) Subsidies granted to the States for Palm Gur Development Scheme.........Rs. 15,31,042/-

(ii) Central Palm Gur Trg. School, Cuddalore... Rs. 2,27,930/-

TOTAL......Rs. 17,58,972/-

Shri Jhulan Sinha: While sanctioning this expenditure, have Government examined the potentiality of this Industry being developed so as to replace Cane *Gur* Industry and release Cane acreage for other purposes.

Shri M. V. Krishnappa: Yes, they sanctioned it after examining the whole thing.

Shri S. C. Samanta: May I know which State has received the highest subsidy?

Shri M. V. Krishnappa: I will give all the figures, for 1951-52.

	Rs.
U.P.	25,750
Bombay	38,300
Orissa	16,830
Coorg	15,000
Bihar	24,830
Madras	1,54,716
Rajasthan	31,156
E. Punjab	12,750
Mysore	Nil
Bhopal	12,000
Andaman & Nicobar Islands	4,500
Ajmer	21,600
Hyderabad	24,668
Delhi	6,000
Saurashtra	14,750
West Bengal	69,000
Trav. Cochin.	14,245

Madras has received the highest.

Shri S. C. Samanta: May I know whether the Madras Government have established any experimental centres for the production of palm *gur* and for training of the necessary personnel?

Shri M. V. Krishnappa: We have a training school in the Madras State. It is at Cuddalore, and is managed by the Centre.

Shri T. S. A. Chettiar: Is there any place which has become self-supporting after the grant of this subsidy?

Shri M. V. Krishnappa: I have no information.

Shri S. N. Das: May I know the period during which this expenditure has been incurred and whether the results achieved have been assessed?

The Minister of Food and Agriculture (Shri Kidwai): From 1948 onwards the expenditure has been annually incurred.

An Hon. Member: How about the results?

Shri Nanadas: May I know whether there are any impediments in the way of our exporting palm gur to other countries?

Shri M. V. Krishnappa: We have not got the facilities.

Mr. Speaker: Now let us go to the next question.

MUNICIPAL ELECTIONS (RAILWAYMEN)

***483. Shri Nambiar:** Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that the Railwaymen who were voters in the various Municipalities were not given holiday or relief facilities to go to polls for elections to the local municipalities in the State of Madras where elections were held recently?

(b) if so, why; and

(c) whether it is a fact that there were representations from labour organisations of Railwaymen and from public in this respect and if so, what action was taken thereon?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) and (b). It has not been the practice to declare holidays or to give special facilities to Railway Staff for local municipal elections. On 6.10.52 the day of the elections in the Trichinopoly Municipality, however, permission was granted as a special case to eligible voters of the Golden Rock Railway Workshops and attached Depots to leave duty an hour earlier than the closing time.

(c) No representations were received from recognised Railway Labour Unions but certain representations from other sources were received and given due consideration.

Shri Nambiar: May I know the reason why railwaymen were not allowed to go to the polling stations during the municipal elections. while they were permitted to do so during the elections for the legislatures?

Shri L. B. Shastri: It is for the State Government to declare a holiday and when the State Government does so. the railways also consider it

Shri Nambiar: In view of the fact that in Trichinopoly the district magistrate of that district declared a holiday, may I know why the railway authorities refused to grant a holiday for the railwaymen?

Shri L. B. Shastri: The municipal elections were held throughout the Madras State and nowhere was a holiday declared by the State Government.

Shri Nambiar: May I know why. when the district magistrate had declared a holiday, the railway authorities refused. . . .

Mr. Speaker: Will the hon. Member consider the answer given by the hon. Minister? He stated that no holiday was declared by the Madras Government. It may have been only a local holiday.

Shri Nambiar: May I know then why the local holiday was not extended to railway workers, when other workers in the same district got it?

Mr. Speaker: He is now carrying on an argument.

Shri Nambiar: No, Sir. I want to know the reason.

Mr. Speaker: He said that they were released one hour earlier.

Shri Nambiar: Then, may I know whether a subsequent request for relief after 3 P.M. was turned down?

Shri L. B. Shastri: We are not aware of that.

Mr. Speaker: Next question.

TELEPHONE EXCHANGE AT GONDIA

***484. Shri Jasani:** Will the Minister of **Communications** be pleased to state:

(a) whether there is any proposal for the installation of a Telephone Exchange at Gondia Town of Madhya Pradesh; and

(b) if so, what steps have been taken and when the work is likely to be commenced?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) Yes.

(b) The work will start very soon. The exchange is likely to be opened before March, 1953.

Shri Jasani: Is it a fact that the work of Installation of the Telephone Exchange at Gondia is being delayed for the last six or eight months, and if so. what are the reasons for the delay and when is the work likely to be completed?

Shri Raj Bahadur: It is a work budgeted for this year. We take time for collecting the equipment and materials for opening an Exchange. The Switch Board is ready. Other materials are coming. The work will start very soon.

Shri K. G. Deshmukh: May I know if there is a proposal to join the taluk headquarters to the Telephone Exchange?

Mr. Speaker: Is he referring to a particular taluk or to the whole province.

Shri K. G. Deshmukh: All taluk headquarters in Madhya Pradesh.

Shri Raj Bahadur: We have got first of all to join all district headquarters; then sub-divisional headquarters and then only taluk headquarters.

MEETINGS HELD BY COMMISSIONERS OF CALCUTTA PORT

***485. Shri H. N. Mukerjee:** Will the Minister of **Transport** be pleased to state whether it is a fact that the press or the public have no access either to the annual budget figures or the agenda of meetings held by the Commissioners of the Port of Calcutta?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): No. The budget figures are released to the press after the annual budget estimates have been sanctioned by the Commissioners in meeting. The agenda of the meetings is treated as confidential only until it has been discussed and approved by the Commissioners-in-meeting. The minutes of all meetings of the Commissioners which contain discussion of the agenda are open to inspection of the public in the office of the Commissioners during office hours on payment of a prescribed fee. Summaries of the minutes are also published in the local official Gazette.

Shri H. N. Mukerjee: In view of the fact that the Commissioners for the Port of Calcutta annually handle about Rs. 8 crores, is it in the contemplation of Government to allow the public greater facilities for finding out how the Commissioners actually operate?

Shri Shahnawaz Khan: The public have ample opportunities even now.

Shri H. N. Mukerjee: Will the hon. Minister be pleased to tell us whether the Public Service Commission, for example, has no say in the matter of appointments which are made by the Commissioners in the Port of Calcutta, and will the hon. Minister also inform us............

Mr. Speaker: I think he is going into the administration of the Port, which is a question entirely beyond the scope of the present one.

Shri H. N. Mukerjee: But, Sir, it is only because of the lack of facilities as far as the public is concerned.

Mr. Speaker: I can well understand and appreciate the position, but then this question will not be admissible

Shri K. P. Tripathi: Are Government considering a change in the constitution of this Port Trust?

Mr. Speaker: Obviously, it is not within the cognisance of the hon. Minister who is answering the question. Next question.

RAILWAY LINES

***486. Shri H. N. Mukerjee:** Will the Minister of **Railways** be pleased to state whether Government propose to take over the Railway lines still remaining in private hands and if so, when?

The Minister of Railways and Transport (Shri L. B. Shastri): The Railway lines in private hands can be purchased by Government and in some cases by the District Boards concerned on different dates as laid down in their respective contracts. When the occasion arises, each case is considered by Government on its merits and the line is purchased if such a course is found justified in the public interest.

Shri H. N. Mukerjee: Do I take it that for the time being the Government has no idea to acquire all these railway lines in private hands?

Shri L. B. Shastri: Within the next few months we are going to acquire two lines.

Shri H. N. Mukerjee: May I know how far the regrouping system is affected prejudicially or otherwise by the non-acquisition so far of these railways in private hands?

Shri L. B. Shastri: So far as I am aware, it has not affected the regrouping.

Shri K. K. Basu: May we know how many leases for running these were extended during the last five years?

Shri L. B. Shastri: I require notice.

Shri R. K. Chaudhuri: May I know whether the railway lines which have been taken over from private hands, e.g. the T. B. Railway in Assam, are following in the footsteps of their predecessors or has any improvement been effected?

Mr. Speaker: That is very much beyond the scope of the present question.

Shri R. K. Chaudhuri: No, Sir. Unless any progress has been shown, what is the use of Government taking them over? That is my point.

Shri L. B. Shastri: If we have not done it so far, we will do it now.

Shri A. K. Basu: May we know whether it is under the contemplation of Government to acquire the private suburban railways round about Calcutta?

Shri L. B. Shastri: There has been some consideration about the B.B. Light railway. There was a proposal to acquire that railway line. The Bengal State Government went into the matter and a high level committee under the Chief Minister of West Bengal was appointed. This committee's recommendation is that these lines should be replaced by suitable roads. So the question of acquiring that railway line does not arise.

Shri V. P. Nayar: What is the aggregate annual receipts from these railways and what is their gross profit?

Mr. Speaker: It is a question requiring notice.

Shri V. P. Nayar: Let him say that.

Mr. Speaker: I find hon. Members putting questions regarding details for which the hon. Minister cannot give any answer immediately. I am trying to place this point before Members, because they may not put unnecessary questions and take the time of the House. Thereby, they lose the opportunity of putting further questions.

Shri B. S. Murthy: How is the question of compensation decided in respect of these railways—on investment or yield?

Shri L. B. Shastri: On both.

Shri Kelappan: Is it not the policy of Government to acquire these utility services?

Shri L. B. Shastri: Yes, the policy of Government is to acquire these utility services and we are already doing it.

Shri S. V. Ramaswamy: What are the lines, what is the total mileage and what will be the probable cost of acquiring them?

Mr. Speaker: That also is very vague and general.

Ch. Ranbir Singh: May I know whether Government propose to acquire the S.S. Light Railway in the near future?

Mr. Speaker: I think I had better go to the next question.

Shri A. K. Basu: May we know how many of these private concerns are subsidised by Government?

Shri L. B. Shastri: There are several, not actually subsidised, but we have to pay the difference between their earning and the 3-1/2 per cent. interest on capital guaranteed by the Government.

PRICES OF IMPORTED WHEAT

***487. Shri H. N. Mukerjee:** Will the Minister of **Food and Agriculture** be pleased to state the landed cost of Soviet wheat in 1951 as compared with United States wheat, computing identical heads of charges in the process of costing?

The Deputy Minister of Food and Agriculture (Shri M. V. Krishnappa): The agreement with USSR Government for supply of wheat is a barter agreement. The supplies of commodities on either side have not yet been completed and it is not, therefore, possible to work out the actual landed cost of the USSR wheat. It is also not considered desirable in the public interest to disclose the landed cost of the grains, contracts in respect of which are current; as the disclosure of price may prejudice negotiations for the purchase of similar kind of grain from other countries.

Shri H. N. Mukerjee: May I know the reasons why the landed cost has not been calculated by the method of simple arithmetical calculation? The ruling export prices of what we send to the USSR on account of the barter agreement could be found out and the prices of imported commodities concerned in the barter transaction could also be worked out. May I know the reason, therefore, for the lack of this calculation mechanism as far as the Ministry is concerned?

Shri M. V. Krishnappa: The contract has not yet been completed and we have not yet received the whole thing. Prices vary sometimes and even if we have calculated, we cannot give it in the public interest.

Shri H. N. Mukerjee: I found in the Fortnightly Notes and News published by the Federation of Indian Chambers of Commerce that the landed cost of 2 million tons of American wheat was **Rs. 22/1/- per** maund. Now, does Government consider this kind of publication to be prejudicial to the economic interests of the country?

Mr. Speaker: Is it a Government publication?

Shri H. N. Mukerjee: It is an association publication.

Mr. Speaker: Anybody may publish anything.

The Minister of Food and Agriculture (Shri Kidwai): Moreover that was not on barter basis. I do not think the information got by the hon. Member is correct.

Shri H. N. Mukerjee: May I know why the Government of India does not work out and publish the comparative statistics in regard to the cost of foodgrains we get from different countries, so that the country may come to a decision which are the areas from which we ought to import foodgrains if we need them?

Shri Kidwai: There were some disputes about prices of certain things and the matter is still under arbitration in Russia.

RICE AGREEMENT WITH BURMA

***488. Shri Balakrishnan:** (a) Will the Minister of **Food and Agriculture** be pleased to state whether it is a fact that an agreement made with Burma Government for the purchase of rice was cancelled?

(b) If so, what were the reasons for the cancellation of the agreement?

The Deputy Minister of Food and Agriculture (Shri M. V. Krishnappa): (a) No.

(b) Does not arise.

Shri Balakrishnan: Arising out of the answer given by the hon. Minister may we take it that there is an agreement between the Government of India and the Government of Burma, and, if so, may I know what are the terms and conditions of the agreement?

Shri M. V. Krishnappa: There is an agreement entered into between the Governments of India and Burma according to which Burma has promised to supply 3,50,000 tons of rice every year.

Shri Balakrishnan: May I know whether the whole quantity of rice is purchased through the Burma Government or a part of it is purchased through private trade?

The Minister of Food and Agriculture (Shri Kidwai): According to the agreement, part of the quantity is Government to Government transaction: and part will be released to trade for export to India.

Shri Dabhi: Is the Burma Government acting according to the terms of the agreement?

Shri Kidwai: Yes. We are thankful to the Burma Government for supplying us more grains than agreed to.

Shri B. S. Murthy: Does this agreement include also broken rice?

Shri Kidwai: Agreement is not broken rice!

Shri B. S. Murthy: My question is whether the agreement also includes broken rice?

COLOURISATION OF VANASPATI

***489. Shri K. C. Sodhia:** Will the Minister of **Food and Agriculture be pleased to state what impediments still** stand in the use of the colouring compound shown to be effective for latent colourisation of vanaspati by the National Chemical Laboratory, Poona?

The Deputy Minister of Food and Agriculture (Shri M. V. Krishnappa): Investigations on thymolphthalein, the compound suggested by the National Chemical Laboratory, Poona for the latent colourisation of vanaspati, have not yet been completed, particularly in respect of its physiological effects on the human system. Latent colourisation of vanaspati is, however, being done at present by the addition of sesame oil.

Shri K. C. Sodhia: Are Government committed to colourise it?

Shri M. V. Krishnappa: No commitment has been made.

Shri Dabhi: Is it a fact that according to the Ghee Adulteration Committee, latent colourisation is not found to be very useful for laymen?

Shri M. V. Krishnappa: That is so.

PANDIT COMMITTEE'S REPORT

***491. Shri K. C. Sodhia:** Will the Minister of **Health** be pleased to state which of the recommendations of the Pandit Committee on Indigenous System of Medicines other than the opening of a Research Centre at Jamnagar have been accepted by Government?

The Minister of Health (Rajkumari Amrit Kaur): The main recommendation having been accepted, it is hoped that the Centre which is being developed will after some time be able to throw light on how best to tackle the other recommendations.

These are, however, being placed also before the next meeting of the Central Council of Health. Much depends on how far the State Governments are able to upgrade the standards of education in their own Ayurvedic Institutions.

WRITTEN ANSWERS TO QUESTIONS

WHEAT IMPORTED FROM U. S. A.

***474 Shri Mohana Rao:** (a) Will the Minister of **Food and Agriculture** be pleased to state whether a body of experts recently reported on the quality of wheat imported from the U.S. under the Loan Agreement?

(b) If so, who were the experts, what was the opinions expressed by them and will their reports be placed on the Table of the House?

(c) If they found a portion of the said wheat below the standard, what was the percentage of such wheat?

(d) Who was responsible for the import of this kind of wheat?

(e) What is the total value of wheat found below the standard?

(f) What steps are being taken to prevent such wheat being imported into India again?

(g) What will be done with the wheat found below the standard?

(h) Did the experts express any opinions on the storage of foodgrains also?

The Minister of Food and Agriculture (Shri Kidwai): (a) to (h). I lay a statement on the Table of the House. [*See* Appendix III, annexure No. 3]

TRAIN BETWEEN CHUPRA AND PALEZA GHAT

***478. Pandit D. N. Tiwary:** Will the Minister of **Railways** be pleased to state:

(a) whether Government have received representations for providing a through train service between Chupra and Paleza Ghat on the N. E. Railway;

(b) whether Government are aware that there was such a train a few years back; and

(c) if so, what action Government propose to take in the matter?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) No.

(b) Yes.

(c) It has been decided to run a through third class coach service each way between Chupra and Paleza Ghat from 1st December, 1952.

MALARIA INSTITUTE OF INDIA

***492. Shri Basappa:** Will the Minister of **Health** be pleased to state:

(a) what are the anti-Malarial operations undertaken by the Malaria Institute of India for the last two years and how far are they successful;

(b) whether there are any plans for opening of other branches of Malaria Institute of India in different parts of the country and if so, what are they; and

(c) whether any experiments have been conducted in the Malaria Institute of India recently regarding the prevention of malaria and if so, what are the results of these experiments?

The Minister of Health (Rajkumari Amrit Kaur): (a) The Malaria Institute of India trains Malaria Workers from all over India, advises State Governments on various aspects of Malaria Control, and carries on research on malaria problems. Anti-malaria Operations are carried-out in Delhi State under the direct control of the Director. Malaria Institute of India, Delhi. Such measures in the Coalfields area and Coorg State are carried out under his technical control. The operations have been very successful and have reduced the incidence of Malaria in some of these areas to negligible proportions.

(b) No.

(c) Research in the various aspects of malaria control is one of the main functions of the Malaria Institute of India. The work done at the Institute has established that with the use of residual insecticides like D.D.T., B.H.C. and the synthetic anti-malarial remedies, it is possible to reduce malaria incidence in the country to a level where it will cease to interfere with the social and economic life of the country.

BANDEL-BARHARWA LOOP LINE

***493. Shri T. K. Chaudhuri:** (a) Will the Minister of **Railways** be pleased to state whether arrangements for diverting the Bandel-Barharwa Loop line from the Dhuliyan Ganges Railway Station towards Barharwa by a new route have been completed?

(b) Have the opinions of the Railway and Irrigation Engineers been ascertained about the suitability of the new route-alignment so as to ensure reasonable safety from the threat of erosion by the River Ganges as in the Dhuliyan—Tildanga Sector?

(c) Have the authorities of the Eastern Railways received any representations in this respect from the inhabitants of the Dhuliyan—Tildanga area in the district of Murshidabad, West Bengal?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) Survey for a diversion was duly carried out but final decision in regard to the laying of this diversion is dependent on the future trend of the river course.

(b) Yes; but it has not been possible to arrive at a definite conclusion as the behaviour of the river continues to be uncertain.

(c) No such representation has come to our notice in the recent past.

PARTICIPATION OF RAILWAYMEN IN PEACE CONVENTIONS

*494. **Shri Nambiar:** (a) Will the Minister of **Railways** be pleased to state if it is a fact that the Deputy General Manager of the former E.I.R. has issued a ban on participation of Railwaymen in Peace Conventions and similar other meetings?

(b) Do Government propose to withdraw the ban?

(c) Does the ban also cover the meetings organised by the Indian National Congress and its units?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes.

(b) No.

(c) Railway employees are not expected to take part in meetings, conferences, etc., sponsored by organisations which directly or indirectly indulge in political propaganda or in activities directed against Government. No exception is made to this general principle in the case of any political organisation.

FOOD RESEARCH COUNCIL, MYSORE

*495. **Shri S. V. Ramaswamy:** Will the Minister of **Food and Agriculture** be pleased to state the amount of money spent on the Food Research Council at Mysore so far?

The Minister of Food and Agriculture (Shri Kidwai): No Food Research Council has been set up under the auspices of the Government of India at Mysore.

RAILWAY ACCIDENT NEAR KATIHAR

*497. **Shri S. M. Ghose:** (a) Will the Minister of **Railways** be pleased to state whether there was an accident at Katihar Junction on the 13th October, 1952 at about 12-30 P.M.?

(b) Is it a fact that the accident was due to Railway employees indulging in negligent fly-shunting as a result of which a guard's van and another coach were hurled fall-tilt against stationary bogies which were full of passengers?

(c) How many persons received injuries, and was there any death due to this accident?

(d) Has any compensation been given to the injured or to their relatives, if any?

(e) Have the employees of the Railway who were responsible for the accident been appraised and if so, what is the nature of punishments meted out to them?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) Yes.

(b) The third class *cum*-luggage-brake carriage, which was the last vehicle on 241 Up passenger train, was being shunted back to the train after the carriage next to it with its hot-axle had been left on another line, and in the course of this shunting the coupling of the former carriage slipped from the hook of the shunting engine and the carriage thus rolled back and dashed into the rear of the stationary train. It was, therefore, not a case of negligent fly-shunting.

(c) 21 persons received minor injuries. There were no deaths.

(d) No claim has so far been received from any of the injured.

(e) The shunting Porter who carried out the shunting operations, has been held responsible for failure to couple up properly the vehicle to the shunting engine. He has been arrested by the Police for prosecution.

[illegible] (क्रय)

*४९८. **श्री सिंहासन सिंह :** क्या रेल मंत्री यह बतलाने की कृपा करेंगे कि क्या यह सत्य है कि रेलवे वित्तीय मंत्रणाकार यूरोप गये थे और उन्होंने वहां १२ करोड़ रुपये के रेल इंजिन तथा डब्बे खरीदने के लिये विभिन्न यूरोपियन कम्पनियों के साथ सौदे किये थे ?

(ख) क्या उपरोक्त समवायों में वह स्विस कम्पनी भी सम्मिलित है जिस के साथ १९४९ तथा १९५० में डब्बों के संभरण के लिये हमारा सौदा हुआ था और जिसे काफी राशि अगाऊ दे दी गई थी और जिस ने उन में से अभी तक केवल ग्यारह डब्बे दिये हैं ?

(ग) चित्तरंजन कारखाने पर कुल कितनी पूंजी लगी है और इस समय वहां कितने व्यक्ति काम कर रहे हैं ?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes, in association with the Director General, India Store Department, London, and other technical officers to procure some items of rolling stock. Orders are being placed by the Director General, India Store Department, London, after settlement of technical details. The placing of final orders is still to be finalised and, consequently, value of the orders to be placed is not yet available.

(b) No. It is incidentally pointed out that 26 coaches have been received from Switzerland as against 11 mentioned by the Hon'ble Member.

(c) (i) Outlay at C.L.W. ... Rs. 14·93 Crores.

(ii) Strength of Staff ... 6,222

FOODGRAINS FOR MADRAS

*499. **Shri Kakkan:** Will the Minister of Food and Agriculture be pleased to state what necessary steps are taken to help the Government of Madras by giving foodgrains, after the Food Ministers' Conference in Bombay?

The Minister of Food and Agriculture (Shri Kidwai): In Bombay, discussions took place with the Food Ministers of certain States on general food conditions and on future policy. Allotments of foodgrains to Madras and other States during the present year are being made according to previous plan. About supplies during 1953, the quotas have not been finally fixed.

KOLAYAT-JAISALMER RAILWAY LINE

156. **Shri Karni Singhji:** Will the Minister of Railways be pleased to state whether Government propose to take any steps for the construction of a railway line from Kolayat Station (Bikaner Division) to Jaisalmer?

The Deputy Minister of Railways and Transport (Shri Alagesan): The Government are not taking any steps at present for the construction of this line.

CONSTRUCTION OF NEW RAILWAY LINES

157. **Dr. Amin:** Will the Minister of Railways be pleased to state when the construction of the new railway lines from Wasad-Kathana and Vishwamitri-Dholka-Bhavnagar will be completed?

The Deputy Minister of Railways and Transport (Shri Alagesan): Vasad-Kathana railway line is expected to be open to traffic by 31st March 1953. As regards Vishwamitri-Dholka-Bhavnagar, no such railway line is at present under construction.

LAC AND SHELLAC

158. **Shri P. C. Bose:** (a) Will the Minister of Food and Agriculture be pleased to state what are the total quantities of production of shellac and lac in India?

(b) What quantities are exported every year and to what countries?

(c) What are the difficulties from which the industry is suffering at present?

(d) Have Government received any representation from the industry in this connection?

The Minister of Food and Agriculture (Shri Kidwai): (a) and (b). A statement is laid on the Table of the House. [*See* Appendix III, annexure No. 4.]

(c) (i) Unhealthy speculation which has caused price fluctuations,

(ii) Competition from foreign shellac,

(iii) Competition from substitute and synthetic products,

(iv) Recession in export demand for general and stock-piling purposes and from shellac to seedlac.

(d) Yes.

AGRICULTURAL MINIMUM WAGES INQUIRY COMMITTEE REPORT

159. **Shri M. L. Dwivedi:** Will the Minister of Labour be pleased to state:

(a) the time by which the Report of the Agricultural Minimum Wages Inquiry Committee is likely to be made available to the House;

(b) whether the inquiry has been completed;

(c) whether the Committee have submitted any interim Report; and

(d) if so, what are the findings?

The Minister of Labour (Shri V. V. Giri): (a) to (d). The Government of India have not appointed any Committee known as "The Agricultural Minimum Wages Inquiry Committee". If, however, information is required about the report of the Agricultural Labour Enquiry, the attention of the hon. Member is invited to the reply to parts (a) and (b) of Shri S. C. Samanta's Starred Question No. 76 on the 6th November, 1952.

TOURISTS

160. **Pandit Munishwar Datt Upadhyay:** Will the Minister of Transport be pleased to state which country sent the largest number of tourists to India in the years 1950, 1951 and up to the end of October, 1952?

The Minister of Railways and Transport (Shri L. B. Shastri): Complete statistics of tourist arrivals for 1950 are not available as arrangements for their collection were made from September 1950. The largest number of tourists came from the United Kingdom: 5984 out of a total number of 20,000 during 1951 and 4313 out of a total number of 16278 during the first nine months of 1952. The figures for October 1952 are not yet available.

ANGLO-INDIAN SCHOOLS

161. **Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of Railways be pleased to state how many Anglo-Indian Railway Schools are being run at present and in what places?

(b) Does the necessity of separate Railway schools for Anglo-Indians still exist?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) There are at present 65 Anglo-Indian Railway Schools run by Indian Railways. A list of these is appended below:—

S. No.	Name of the Anglo-Indian School	Station
	Central Railway	
(1)	Primary School	Parel
(2)	"	Kalyan
(3)	"	Manmad
(4)	"	Bhusawal
(5)	"	Dhond
(6)	"	Itarsi
(7)	"	Ajni
(8)	"	Bina
(9)	Middle School	Lallaguda
(10)	"	Kazipet
(11)	"	Dornakal
(12)	"	Purna
	Eastern Railway	
(13)	Primary School	Lillooah
(14)	"	Kanchrapara
(15)	"	Ondal
(16)	"	Asansol
(17)	"	Jamalpur
(18)	"	Moghalsarai
(19)	"	Gaya
(20)	"	Jhajha
(21)	"	Gomoh
(22)	"	Madhupur
(23)	"	Dinapore
(24)	"	Dhanbad
(25)	"	Bilaspur
(26)	"	Chakardarpur
(27)	"	Dongargarh
(28)	"	Khurda Road
(29)	"	Nainpur
(30)	"	Santragachi
(31)	Middle School	Adra
(32)	Hill Oakgrove Boys' School.	Oakgrove
(33)	Hill Oakgrove Girls' School.	Oakgrove
(34)	Hill Oakgrove Junior School.	Oakgrove
(35)	High School	Kharagpur

Southern Railway

(36)	Middle School	Golden Rock
(37)	"	Bitragunta
(38)	"	Perambur
(39)	"	Haffieldpet
(40)	"	Jalarpet
(41)	"	Rajahmundry
(42)	Primary School	Hubli
(43)	"	Gooty
(44)	"	Erode
(45)	"	Villupuram
(46)	"	Guntakal
(47)	"	Madura
(48)	"	Podanur
(49)	"	Gadag
(50)	"	Castlerock
(51)	"	Miraj
(52)	"	Pakala

Western Railway

(53)	Primary School	Abu Road
(54)	"	Bandikui
(55)	"	Ratlam
(56)	"	Ajmer
(57)	"	Gangapur
(58)	"	Phulera
(59)	"	Bulsar
(60)	"	Dohad
(61)	"	Neemuch

Northern Railway

(62)	Primary School	Tundla
(63)	"	Moradabad
(64)	"	Rewari

North Eastern Railway

(65)	Primary School	Gorakhpur

(b) Yes. The necessity is still there under the provisions of Article 337 of the Constitution.

QUARANTINE STATIONS

162. Shri S. C. Samanta: (a) Will the Minister of **Food and Agriculture** be pleased to state how many quarantine Stations are there in India to inspect and kill the foreign plant pests that lie hidden with goods imported?

(b) How many and where more quarantine stations are going to be opened in the near future in India?

(c) What other methods excepting vacuum fumigation method are applied to do away with foreign pests?

(d) What are the imported and exported goods that are brought under inspection and treatment?

The Minister of Food and Agriculture (Shri Kidwai): (a) There is one fully equipped Plant Quarantine Station established by the Central Government at Bombay. At Madras the Central Government has established a Quarantine and Fumigation Station for fumigation of imported American Cotton.

Fumigation of plants imported through the ports of Tuticorin, Negapatam, Visakhapatnam and Cochin is done by the Department of Agriculture, Madras. Arrangements for the inspection and fumigation of goods imported through the port of Calcutta are made by the Government of West Bengal.

(b) A fully equipped Quarantine Station will be established in the near future at Calcutta and the present fumigation facilities extended at the port of Madras as soon as finances permit.

(c) Besides vacuum fumigation the other method to destroy pests are (1) hot water treatment (2) sterilization (3) refrigeration (4) oil dip (5) super heating.

(d) Imported plants, American Cotton, unmanufactured tobacco and cotton seeds etc. are inspected and treated against foreign pests.

Plants and seeds intended for export to countries, the Governments of which require a certificate of freedom from insects, pests and diseases to accompany them, are inspected and granted health certificates.

TELEPHONE OPERATORS

163. Shri S. C. Samanta: Will the Minister of **Communications** be pleased to state:

(a) how many telephone operators are working at present in different Exchanges in India (circle-wise);

(b) how many of them are males and how many females;

(c) how many of them are trained;

(d) how many training centres there are in India and where they are situated; and

(e) what is the capacity of each training centre?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) to (e). A statement giving the information is placed on the Table of the House. [*See* Appendix III, Annexure No. 5]

Central Council of Health

164. Shri Jhulan Sinha: Will the Minister of **Health** be pleased to state:

(a) whether it is a fact that a Central Council of Health has recently been constituted; and

(b) if so, what is the Constitution of this Council. the number of meetings of this Council held, if any, and the decisions thereof?

The Minister of Health (Rajkumari Amrit Kaur): (a) Yes.

(b) The Council consists of the Union Minister of Health as Chairman and the State Ministers of Health as members. No meeting of the Council has been held so far.

Prices of Imported Wheat and Rice

165. Shri Dabhi: Will the Minister of **Food and Agriculture** be pleased to state:

(a) the cost prices (including freightage) of rice and wheat imported from abroad during the months of April to August, 1952;

(b) the present issue prices of imported wheat and rice as well as indigenous wheat and rice in each State;

(c) the present procurement prices of indigenous wheat and rice of different qualities in each State; and

(d) the offtakes of imported wheat and rice in each State during the three months preceding as well as following the recent increase of imported foodgrants during the current year?

The Minister of Food and Agriculture (Shri Kidwai): (a) The total C and F value of the wheat and rice imported during the months April, 1952 to August, 1952 is estimated to be Rs. 83·41 Crores. The Accounts in respect of grains imported during this period are still under finalisation.

(b) to (d). Four statements are placed on the Table of the House. [*See* Appendix III, annexure No. 6]

Nationalisation of Road Transport

166. Shri A. N. Vidyalankar: (a) Will the Minister of **Transport** be pleased to state what steps the Government of India have taken to co-ordinate the various Transport Development Schemes in India?

(b) Is it a fact that the Government of India advised the State Governments long ago to nationalise speedily their Road Transports in order to establish an effective co-ordination in the various Transport Services in India and if so, how far have the State Governments implemented this policy?

(c) What is the total mileage of road transport in each State, and the portion of the same nationalised?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) The Government of India have set up the following bodies for ensuring co-ordinated consideration of the various transport development schemes in India:—

Name of Body	Constitution	Functions
(1) Transport Advisory Council.	Representatives at minister level of the Central and State Governments.	To make recommendations designed to evolve a policy for the development of a co-ordinated transport system and recommendations regarding suitable measures for giving effect to that policy.
(2) Central Board of Transport	Representatives of the Ministries of Transport, Railways, States, Defence, Finance, Commerce and Industry and Communications and representatives of State Governments co-opted as and when necessary.	To consider and take decisions on major transport problems and policies in the field of rail and road transport development, civil aviation, inland water transport, port development and coastal shipping to ensure the

Name of Body	Constitution	Functions
		maximum co-ordination on all forms of transport; to ensure matching of transport development with industrial and agricultural development.
(3) Standing Committee of the Central Board of Transport.	Representatives of the Ministries of Government of India under the Chairmanship of the Secretary, Ministry of Transport.	To review the transport requirements of Central Ministries, State Governments and basic industries and the extent to which they are met by railways and coastal shipping.
(4) National Harbour Board .	Representatives of the Ministries of Government of India and of maritime State Governments, major port authorities and four non-officials representing industry and trade, shipping, country craft and labour with the Minister for Transport as Chairman.	To advise on the co-ordinated development of major and minor ports.
(5) The Ganga-Brahamaputra Water Transport Board.	Representatives of the Central Water & Power Commission and of State Governments of Assam, West Bengal, Bihar, and Uttar Pradesh with the Secretary, Ministry of Transport, Government of India as Chairman. Representatives of Steamer Companies and Calcutta Port Commissioners are co-opted when necessary.	To co-ordinate the activities of participating Governments in regard to development of water transport on the system of the Ganga and Brahamaputra rivers.

(b) The answer to the first part is in the negative. The latter part of the question does not arise.

(c) A statement giving the required information is attached. [*See* Appendix III, annexure No. 7]

POSTAL SERVICES (DEBT)

167. Sardar Hukam Singh: (a) Will the Minister of **Communications** be pleased to state the total amount of Debt outstanding as on the 31st October, 1952, on account of our Post Office, Telegraph, and Radio Service?

(b) How much of this is treated as productive?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) Capital invested in the assets of the Department as on 31-3-1952 was Rs. 56·06 crores. (As accounts are maintained on financial year basis, the figure as on 31-10-1952 is not available).

(b) Rs. 53·28 crores.

GOODS FOR ASSAM FROM WESTERN AND NORTHERN INDIA.

168. Shri Beli Ram Das: (a) Will the Minister of **Railways** be pleased to state whether it is a fact that goods for Assam from Western and Northern India move to Assam *via* Calcutta port?

(b) Is it a fact that the distance between Katihar and Gauhati *via* Moniharighat and Calcutta is about 560 miles and that of Katihar to Gauhati *via* Siliguri is about 391 miles?

(c) In view of the above facts, do Government propose to allow goods meant for Assam to be carried over by Railways from Western and Northern India *via* Siliguri instead of Moniharighat and Calcutta?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) Traffic to Assam from Western and Northern India moves partly by all-rail route over the Assam Rail Link and partly by rail-*cum*- river route *via* Calcutta.

(b) Distance between Katihar and Gauhati *via* Manihari Ghat and Calcutta by rail-*cum*-steamer route is 1079 miles and that *via* Siliguri by the all-rail route is 391 miles.

(c) Already traffic does move to Assam from Western and Northern India by the all-rail route *via* Siliguri. The quantum of movement has, however, to be regulated in accordance with the capacity available over the Assam Rail Link.

AGRICULTURAL RESEARCH INSTITUTES

169. Shri Chinaria: (a) Will the Minister of Food and Agriculture be pleased to state what researches and experiments have been made in the Agricultural Research Institutes and farms of the Central Government during the last five years regarding food grains?

(b) What is the contribution to the "Grow More Food" campaign and how?

The Minister of Food and Agriculture (Shri Kidwai): (a) and (b). Researches and experiments on food grains, under the direction of the Central Government are conducted at the Indian Agricultural Research Institute, Delhi and its sub-stations and the Central Rice Research Institute, Cuttack. Results attained are given publicity through the annual reports of these Institutes and the journals, brochures, bulletins etc. of the Indian Council of Agricultural Research. Under the intensive cultivation schemes results are also practically demonstrated on cultivators' fields adjoining those Institutes.

A brief note of researches and experiments under-taken is given in the enclosed statement. [*See* Appendix III, annexure No. 8]

ALL-STEEL COACHES

170. Shri S. V. Ramaswamy: (a) Will the Minister of Railways be pleased to state how many all-steel coaches have been manufactured at Bangalore so far?

(b) What is the capacity of the Hindustan Aircraft Factory to produce finished coaches per annum?

(c) What is the total requirement of such coaches (i) for broad gauge, (ii) for meter gauge Railways?

(d) Will the production of coaches be stopped at Bangalore when the proposed Perambur factory goes into production?

(e) Is the proposed Swiss design of coaches better than the Bangalore all-steel coaches and if so, in what respect?

(f) What is the cost of a Bangalore Coach and what will be the cost of the proposed Swiss design coaches?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) 308 upto 31-10-1952.

(b) 120 III Class coach bodies.

(c) Total requirements of III class including arrears of replacements for the next two years are:

Broad Gauge	843
Metre Gauge	1125

(d) No.

(e) Yes. It affords a greater measure of safety to passengers in cases of accidents besides being economical both from the point of view of steel required in its construction and fuel consumption on account of lighter weight.

(f) The Bangalore coach costs at present approximately Rs. 1.30.000 and it is expected when full production is established in India to produce the Swiss design coach within this total cost.

T. B. AMONG RAILWAY EMPLOYEES

171. Dr. Rama Rao: (a) Will the Minister of Railways be pleased to state the total number of people employed by the Railways in India?

(b) What is the estimated number of persons suffering from T.B. among them and their families according to the Tuberculosis Adviser to the Government of India?

(c) What is the estimated number of beds essential to meet the needs of the Tuberculosis patients among Railway workers and their families?

(d) How many beds for T.B. patients are at present provided by the Railway Department?

(e) Are Government contemplating building any new Sanatoria for T.B. patients among the Railway workers and their families?

(f) If so, where and when and if not, why not?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) The total number of staff employed on Indian Railways on 31-3-1952 was 9,31,718.

(b) and (c). On the basis of nine lakhs of railway servants who with their families constitute a group of population numbering roughly 36 lakhs, the Tuberculosis Adviser to the Government of India has estimated that there are likely to be about 18,000 persons suffering from tuberculosis. While some of these patients can probably be treated in their homes or from out-patient clinics, a certain proportion will need hospital or sanatorium treatment. The Tuberculosis Adviser has estimated that this group will need about 3,000 to 4,000 beds and has suggested that a provision of 1,000 beds be fixed as the target for all Indian Railways for the next 5 years. The Chief Medical Officers of Railways have, however, informed the Board that for the Indian Railways excluding the *ex*-Indian State Railways about 600 beds would be necessary for giving hospital or sanatorium treatment to all railway patients who need them.

(d) 57 beds in all have been reserved exclusively for the use of railway employees and their families in the various sanatoria in the country—11 directly financed by the Government and 46 by Staff Benefit Fund Committees on Railways.

(e) and (f). It has been decided that 300 beds should be provided in properly equipped T.B. Hospitals which should be constructed at suitable places to serve the six regrouped railways. The number of such hospitals and places where they should be built are under consideration.

DEVELOPMENT OF KATNI RAILWAY STATION

172. **Shri Pateria:** Will the Minister of **Railways** be pleased to state:

(a) whether there is any scheme for the development of Katni Railway Station;

(b) if so, what amount of money has been allotted for the same; and

(c) when the work is going to commence and how much time will it take to finish the same?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) Reply is in affirmative.

(b) and (c). The scheme has been divided into two phases. Works in Phase I have already been carried out in 1951 at a cost of Rs. 41,000 and the works in Phase II are proposed to be included in the Passenger Amenity Programme for 1954-55 for which cost has not yet been estimated.

DEMOBILISED SERVICES PERSONNEL TRAINING CENTRES.

173. **Shri M. L. Dwivedi:** Will the Minister of **Labour** be pleased to state:

(a) the number of training centres with names of places where they are situated for training of demobilised Services Personnel (now adult civilians);

(b) the kind of training they are being given;

(c) how many persons have so far been trained, State-wise, since the opening of these centres;

(d) the annual expenditure incurred in connection with the scheme;

(e) whether the trained personnel have been employed by Government or private concerns, etc. or whether they are running some business of their own;

(f) if so, the number of personnel in employment and those out of it; and

(g) whether loans of any kind are advanced to the trainees before or after the completion of the training?

The Minister of Labour (Shri V. V. Giri): (a) to (c) and (e) and (f). Attention of the Member is invited to the information already given in reply to the following:-

(i) Unstarred Question No. 13 by Shri Gurupadaswamy on 6-11-52; [for (a), (e) and (f)].

(ii) Unstarred Question No. 608 by Shri Tushar Chatterjea on 29-7-52; [for (b)]; and

(iii) Starred Question No. 501 by Dr. S. Satyawadi on 4-6-52; [for part (c)].

(d) A statement is placed on the Table of the House. [*See* Appendix III, annexure No. 9]

(g) No loans are sanctioned but arrangements exist for bringing the displaced person-trainees into touch with the authorities sanctioning loans under the Small Urban Loan Scheme.

MANGANESE MINES

174. **Shri Sanganna:** Will the Minister of **Labour** be pleased to state:

(a) the number of Manganese Mines working in the State of Orissa;

(b) the number of labourers employed in each mine;

(c) the rate of minimum wages paid to the labourers;

(d) the amenities provided to the labourers at the mines; and

(e) what safeguards have been provided to vouchsafe that wages are paid properly to the labourers?

The Minister of Labour (Shri V. V. Giri): (a) to (e). The Information is being collected and will be placed on the Table of the House in due course.

FAKIRAGRAM RAILWAY STATION

175. **Shri Amjad Ali:** Will the Minister of **Railways** be pleased to state:

(a) whether there are any waiting rooms 1st, 2nd or 3rd class in the Fakiragram Railway Station of Assam Rail Link;

(b) whether that is the Railway station from where the new link-line begins from the old;

(c) whether passengers to and from Dhubri, the Headquarter station of the District of Goalpore and other stations to the west of Fakiragram have to wait for trains of the Assam link-line in that station; and

(d) if the answer to part (a) above be in the negative, are Government considering the desirability of constructing waiting rooms to remove the difficulties?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) Yes, there is an upper class waiting room and a third class waiting hall.

(b) Yes.

(c) Yes.

(d) In view of the answer to (a) this question does not arise.

COTTON

176. **Shri K. G. Deshmukh:** (a) Will the Minister of **Food and Agriculture** be pleased to state how much acreage of irrigated land is at present under cotton cultivation in Madhya Pradesh?

(b) What varieties of cotton have been sown there?

(c) Have these varieties been included in the list of long staple cotton?

The Minister of Food and Agriculture (Shri Kidwai): (a) only 139 acres in 1950-51.

(b) Irrigated acreage under cotton being very negligible, information is not available.

(c) Does not arise.

ESSENTIAL SUPPLIES (TEMPORARY POWERS) ACT

177. **Shri S. N. Das:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) to what extent the powers delegated to various State Governments under the Essential Supplies (Temporary Powers) Act, 1946 were withdrawn during 1952;

(b) to what extent restrictions on inter-State movements of agricultural commodities have been allowed to continue; and

(c) whether the working of these restrictions have been reviewed?

The Minister of Food and Agriculture (Shri Kidwai): (a) and (b). Two statements giving the required information are laid on the table of the House. [*See* Appendix III, annexure No. 10]

(c) Yes.

FOOD POSITION IN DISTRESSED AREAS OF BIHAR

178. **Shri S. N. Das:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) what is the latest food position in those areas of Bihar which were under the distress of floods and drought some months back;

(b) the extent to which the food situations have improved or deteriorated; and

(c) whether transplantations or retransplantations of paddy plants took place in those areas and what is the prospect of paddy crop in Bihar?

The Minister of Food and Agriculture (Shri Kidwai): (a) to (c). The drought did not effect very seriously any major area in the State, as rainfall was generally adequate, though belated. The latest reports indicate that Hathia rains were favourable. The floods affected crops only in four districts. In one of them floods receded in time and had a beneficial effect on the crop. In the second, transplantation was possible in about half the area affected and the prospect of the crop is good. In the other two districts, no re-transplantation in the affected areas was possible.

There was good *bhadai* crop and as a result thereof the food situation in the four affected districts has not been seriously affected. The present over-all food position in Bihar is satisfactory.

Dated......20.11.201

THE
PARLIAMENTARY DEBATES
(Part II—Proceedings other than Questions and Answers)
OFFICIAL REPORT

HOUSE OF THE PEOPLE

Wednesday, 19th November, 1952

The House met at a Quarter to Eleven of the Clock.

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(See Part I)

11-45 A.M.

COMMONWEALTH ECONOMIC CONFERENCE

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Some months ago the Prime Minister of the United Kingdom informed me that it was proposed to hold a Conference of Prime Ministers of Commonwealth countries to discuss economic matters of common concern. It was proposed to hold this Conference some time in November of this year and the Prime Minister of the U.K. pointed out the importance of the subjects to be discussed and was anxious that India should be represented at this Conference by her Prime Minister. I recognised the importance of this Conference, but it was very difficult for me to leave India at a time when Parliament was meeting and there were other important matters which required my presence here. In the course of my reply, therefore, I expressed my inability to attend the Conference in London. I added however, that I hoped that India would be represented at this Conference. It has now been decided that our Minister of Finance, Shri Chintaman Deshmukh should represent us at the Conference together with our High Commissioner in London, Shri B. G. Kher. They will be assisted by the Governor of the Reserve Bank and senior officials.

The House will recall that the Finance Ministers of the Commonwealth countries met in a Conference early this year to discuss emergent measures that were necessary to avoid a serious threat to the trade and payments of the Sterling Area caused by a rapid decline in its central gold and dollar reserves since July, 1951. As a result of the measures taken by the Governments of the Sterling Area countries, on the recommendation of this Conference, the drain on the central gold and dollar reserves of the sterling area has been halted since March, 1952.

Apart from recommending short-term and emergent action to overcome this threat, the Finance Ministers' Conference had also given consideration to the long-term policies which the Sterling Area countries could adopt in order to avoid a recurrence of a similar crisis. It was considered that the productive power of the Sterling Area countries should be rapidly developed and that measures should be devised to avoid violent fluctuations in commodity prices. Further, it had come to the conclusion that the objectives of the economic policies of the Sterling Area countries should be to achieve convertibility of sterling and to work towards that goal by progressive steps for creating conditions in which sterling could be made convertible and its convertibility could be maintained. Sterling being an international medium of payments for a substantial part of the world trade, its convertibility was an essential step towards achieving a high level of international trade on the basis of multilateral payments.

The purpose of the Commonwealth Economic Conference now to be held is to have further consultations on these long-term problems and to examine whether it is possible for the Sterling Area countries to take any steps in these directions.

[Shri Jawaharlal Nehru]

The agenda of this Conference, which will open in London on the 27th November, is as follows:

(1) Review of economic development in recent years and future prospects.

(2) Objectives in external economic policy.

(3) Aspects of these objectives and of the means for achieving them:

- (a) Financial policy;
- (b) Economic development;
- (c) Trade Policy.
- (d) Commodity Policy;
- (e) International Institutions.

(4) Cooperation with other countries.

(5) Short-term balance of payments prospects of the Sterling Area and policy for 1953.

The Finance Minister proposes to leave for the United Kingdom on the 23rd November, 1952.

Shri B. Das (Jajpur-Keonjhar): I suggest the House may be allowed to discuss whether India should at all participate in the Commonwealth Conference.

Mr. Speaker: He wants a discussion as to whether India should at all participate in the Conference.

Shri Jawaharlal Nehru: I submit, Sir, it is rather an extraordinary suggestion to make. So long as we are dealing with sterling we are intimately connected with the developments there and it would be unwise not to attend these conferences and for things to happen which might affect us. It is a different matter if basically and fundamentally we became dissociated with it or associated with something else. But so long as that does not happen I do submit, Sir, the question does not arise.

Some Hon. Members *rose*—

Mr. Speaker: Now nothing is open for discussion.

Shri H. N. Mukerjee (Calcutta North-East): May I make a submission?

Mr. Speaker: No questions are put on a statement made by a Minister. The hon. Member wanted to make an enquiry and that is why I allowed him to do so. But if we are going to make suggestions I think we shall have a debate on that point. That is not really permissible. He may make his suggestion to the Prime Minister.

Shri H. N. Mukerjee: Sir, may I submit that in view of the very serious misgivings that have already been expressed in the House and the country regarding the results of our present economic association with the Commonwealth, we should set apart at least a day for examining the credentials with which the Finance Minister should go.

Mr. Speaker: It is the same thing.

The Minister of Revenue and Expenditure (Shri Tyagi): No serious views have been expressed in the country or in the House.

Mr. Speaker: We will go to the Legislative Business.

SUGAR (TEMPORARY ADDITIONAL EXCISE DUTY) BILL

The Minister of Revenue and Expenditure (Shri Tyagi): I beg to move:

> "That the Bill to provide for the levy and collection for a temporary period of an additional duty of excise on sugar, be taken into consideration."

As the House will realize, this Bill is short and sweet. It is as innocent as sugar. I hope the House will appreciate that it is not really a taxation measure. The object of levying the proposed additional excise duty is simply to recover the loss which will be incurred due to the reduction in the *ex-factory* price of the controlled stocks of 1951-52. As hon. Members are aware, Government had guaranteed controlled prices to factories for these stocks. Truly speaking, this levy is not a tax but a re-arrangement or a fresh averaging of prices of old and current stocks of sugar.

The circumstances which led to the proposed reduction in sugar prices are, firstly, that we had a bumper cane crop in 1951-52. Consequently there was a considerable increase in *gur* production. The price of *gur* which rose from Rs. 15 to Rs. 20 per maund in 1950-51 and averaged at about Rs. 14 per maund in January 1952, suffered a steep fall in February and it came down to about Rs. seven per maund in March 1952. The result was a considerable diversion of *gur* manufacture to sugar factories. A large number of factories which generally close about the middle of April had to work in June and part of July and we had a record sugar production of about 15 lakh tons. Taking into account the carry-over of about two lakh tons from 1950-51, the total quantity of sugar available for consumption in the country today is nearly 17 lakh tons. The consumption during the year is, however, not expected to exceed 12 lakh tons. As such, we had a carry-over of about five lakh tons of controlled sugar at the end of October.

In view of the heavy carry-over from the previous season, the current level of *gur* prices and the condition of this year's cane crop, and also considering the general downward tendency in the prices of agricultural products other than sugarcane, the Central Government have fixed the minimum price of sugarcane to be paid by vacuum-pan sugar factories during the 1952-53 season at Rs. 1-5 per maund as against Rs. 1-12 last year.

It will not be out of place to mention here that the Indian Tariff Board in their report on the sugar industry in 1950 had observed that the estimated cost of cane cultivation in the country as a whole was only about Rs. 1-6-3 per maund including transport charges and ten per cent. profit to the grower. The Board also calculated the fair price of cane on the basis of return from *gur*. According to them if *gur* were sold at an average price of Rs. 13 per maund, the price of cane should be only Rs. 1-4-3 per maund. On the basis of all these facts, the Board considered that a price of Rs. 1-7-0 per maund was a fair price for cane supplied to sugar factories in 1949. They also thought that as a result of the intensive research and development programmes taken in hand by various State Governments, it should be possible to reduce the price of cane in the year 1951-52 to Rs. 1-4-0 and also they said that perhaps in 1954 it might come to Re. 1/- per maund. That was the recommendation of the Tariff Board. It may be asked as to why in the past two years, contrary to the recommendations of the Tariff Board, the price of cane was fixed at Rs. 1-12-0 per maund. That was done mainly to ensure adequate supplies of cane to sugar factories in competition with *gur*. The prices of *gur* during 1950-51 and also a part of 1951-52 which remained at a high level declined to Rs. 27/- per maund. Sugar factories were therefore not in a position to receive enough sugar cane with the result that the prices of cane for factories had to be increased to attract sugarcane from the *gur* factories. Now with the substantial reduction in the price of sugarcane from Rs. 1-12-0 to Rs. 1-5-0 the consumers will naturally expect some reduction in the price of sugar also. As the sugar production from 1952-53 crop can be released for consumption only after the carry-over of 1950-51 has been nearly exhausted, the consumers will not be able to get the benefit of low-priced sugar until the beginning of April 1953. In these circumstances it was felt that it would be better if the price of the carry-over is also reduced so as to bring the same more or less in line with the expected price of 1952-53 sugar and to recover the loss so incurred by levying an additional excise duty of rupee one per maund or Rs. 1-6-0 per cwt. as provided for in the Bill. It is proposed to reduce the *ex*-factory price of sugar to a uniform rate of Rs. 27/- per maund in the case of North Indian factories whose *ex*-factory prices now range from Rs. 30-8-0 to Rs. 34-14-0 and to Rs. 28/- per maund in the case of South Indian factories whose prices vary today between Rs. 29-12-0 and Rs. 33/- per maund. The differential reductions have been proposed as more than three-fourth of the carry-over is in the hands of the North Indian factories. Further due to freight advantage, South Indian factories are always able to get a slightly higher price for their sugar. The reduction in the price of sugar on the whole will average to about Rs. four per maund and the loss incurred on an estimated carry-over of four lakhs tons will be about Rs. 4,30,00,000/-. Practically the entire loss is hoped to be recovered from 1952-53 production and the balance, if any, from the 1953-54 production. It is not my intention to continue this duty for a long time. It may be possible that after the loss on the present stock of sugar is made good, I might divert a portion of this income towards reducing the price of sugar for export purposes so that it may compete in the international market. The object of the Bill is therefore a very simple one. It is to recover the loss which will be incurred in providing cheaper sugar to the consumer, manfactured earlier.

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The proposed reduction in the price of 1951-52 carry-over will help quick disposal of this high-priced sugar and will also facilitate early transition from a high-priced to a low-priced sugar of 1952-53. I commend the Bill to the House.

Mr. Speaker: Motion moved:

> "That the Bill to provide for the levy and collection for a temporary period of an additional duty of excise on sugar, be taken into consideration."

Shri Syamnandan Sahaya (Muzaffarpur Central): The Ministry certainly deserves congratulations for finding a solution to a rather difficult problem, a problem largely of their own creation. The fact is that the sugar produced last year out of high-priced cane which could not be sold would naturally not have had any place in the market when the new sugar came into the market. That would have been a difficult situation for the Government as well as the Industry. The pity in this matter is that this question of the production of sugar and sugarcane and of the sugar industry as a whole has been a rather difficult question and in my humble opinion has not had that attention which an industry of the magnitude of sugar in this country ought to have had. I am saying this for the particular attention of the hon. Minister concerned and I would respectfully urge on him the necessity of gathering statistics from his own Department as to how during the last ten or fifteen years, changes in price and policy have been made for the purpose of meeting immediate emergency without taking into consideration the prospects of the sugar industry as a whole. In this industry is involved not merely the question of the price of sugar-cane but the question of the production of *gur*, the question of increased production of cane, the question of the supply of cane through Railways, and at factory gate the sucrose contents, the yield per acre and so many other things.

However, it was a difficult situation in which the Government and the industry found themselves as a result of the fixation of the sugarcane price this year and they were able to find out a solution. Let us hope that this solution will really help to serve the industry and the consumer. When I say let us hope, it is an expression of a certain amount of doubt in the matter, for while the hon. Minister, in moving this measure, explained at some length how he proposes to tax the product of the industry, he has not said in his speech a word about how he proposes to distribute this cess, in order to meet the loss on sugar produced in 1951-52. Perhaps he may be aware or he may not be aware that just before the 6th of November, when this new proposal was placed before the public, a number of mills had asked for the release of their sugar. Now, in some cases, certain release orders were passed but suddenly the mills were faced on the 7th November with this new proposal. I am told that the Ministry is insisting on that release order and the mills are not at present prepared to take the sugar away because, under the present conditions, they will not have the advantage of the new cess which you are levying and they will not be able to find a market for the sale of their sugar.

The Minister of Food and Agriculture (Shri Kidwai): Why?

Shri Syamnandan Sahaya: Because, after this, everybody will wait that you are going to reduce the price. Who is going to buy sugar at this high price?

Shri Kidwai: People will not wait for their cup of tea till the new sugar comes.

Shri Syamnandan Sahaya: Perhaps if my hon. friend had also been the Minister of Commerce and Industry, he would have known that it is not for cups of tea that sugar mills sell sugar. There are large buyers who buy tons and tons of sugar from mills and not those who drink a cup of tea. That is sold in the normal course by intermediary dealers. As he says, even now the market is full and there is no scarcity.

Shri Kidwai: The sugar in the market is less than what is consumed in a month's time. That is why I gave three weeks' notice so that they may sell the sugar in this time.

Shri Syamnandan Sahaya: As a matter of fact, my contention is based on the very simple fact which we all know that if there is the slightest prospect of the prices of anything going down in the near future, such commodity has no market. That is a very simple and natural law of trade and business. I have no doubt that if the hon. Minister gives a little attention, he will come to the same conclusion. In any case, what I desire to submit to the Minister is that this matter should be carefully examined. If the mill-owners can sell their stocks, they will not hesitate or defer sales as they have no holding capacity. What I say is, that the Government issued the notification on the 7th, and therefore in respect of the people who were unaware of the notification and asked for releases, there should be no insistence on the part of the Government to take delivery. If they can sell, so much the better. After all, the whole intention of the Bill is to give succour to those who suffer on account of the going down of the prices.

[MR. DEPUTY-SPEAKER *in the Chair*]

The second thing which I desire to place before the House and request both the Ministers of Finance and Agriculture to consider, is this. This Bill lays down in clause 3 that the tax is to be levied in respect of all sugar manufactured on or after the appointed date, which is, 6th November, 1952. While this House has been ever willing to help the Government in matters of taxation, whether they sometimes agreed with the Government or did not, I would suggest that the Ministry ought to think over the matter carefully as to why they should not restrict this tax to the sugar produced in 1952-53. While a Minister is a Minister, if I may be permitted to say so, he is also a common man and ought to have the apprehensions of and exercise the circumspection of the common man. But our experience has been—pardon my saying this, it is no reflection on this Government; this has been perhaps a kind of convention, if I may use that term in a good sense, for all Governments—that once Governments levy a tax, they are hard put to it to reduce it or to withdraw it. The hon. the Minister of Revenue and Expenditure said just now that his purpose is not to make it a permanent taxation measure. I have full faith in what he has said; but I have also my own apprehensions about his difficulties. In a measure of taxation, you have so many difficulties coming up. Your Budget is put to a severe strain and you are hard put to it to find resources for carrying on your work. In a measure like this, where taxation is for a definite and specific purpose, I would submit that it is proper for Governments themselves to take only restricted and limited powers. I would therefore submit that in clause 3 it must be clearly stated that this levy will be on all sugar produced in the year 1952-53.

I will not detain the House long in discussing this question of the sugar industry. But, perhaps, I should sound a note of warning to the Government in both the Ministries, Finance and Agriculture, that it is time that we really carefully went into this question of the sugar industry. I do not know about other provinces; but I can speak with a certain amount of certainty that so far as the sugar industry in Bihar is concerned, it is in a deplorable condition. There is no use each time getting up and only castigating the mill-owner for all the evils that we are suffering from. There was a time when we used to say that of the foreigner. Now we say, it is the miller. Leave aside the miller. Take over control of all the sugar mills and look into the real difficulties experienced. There are, as the hon. Minister pointed out in reply to a question, different areas with different requirements, and also with different difficulties. It is therefore necessary that in an industry of this nature, which, I think, occupies a very high position in the industries of this country, a little more attention is bestowed by the Government. We have to see what the real difficulties of the mills are. We have been able to build up a very fine industry, and perhaps, by now, it should have been possible to export sugar at a good price. After all, whoever may be to blame, now it is a national Government and mere allocation of blame will not do. We have come into our own and that kind of distinction between mill-owners making a profit or the labourer making an extra profit or even the sugarcane grower making an extra profit should not be the approach. We ought to see how best we can utilise the industry in the best interests of the country and try to facilitate sales by way of export and earn foreign currency. With this cess the Government may be able to tide over the present difficulty; but the difficulties of the sugar industry are such that it is really deserving of serious attention at the hands of the Ministry. I do not suggest an Enquiry Committee. The hon. Minister is competent himself to size up the whole situation only if he gives a little time, and asks all the three parties concerned, the miller, the labourer and the grower, what the difficulties are and how a really good mean could be found so that the sugar industry as a whole could be kept going and could serve the nation as a whole and not merely one party or the other.

The hon. Minister, in his speech, said something about export. He said that if we are able to save some money out of this cess after meeting the requirements for the sale of the old sugar in this country itself, we may be able to do something by way of export. Nobody is aware more than the two Ministers concerned that this question of export of sugar has been hanging fire for a long time now. What I would submit is that they should not delay this question of export till such time as the entire old stock is sold. With this cess, you will be able to bring the prices both of the old sugar and the new sugar at par, almost, and you will be able to know what really you will be able to save for the purpose of export. I would strongly urge upon the consideration of the Government this question of exporting Indian sugar. Apart from the solution of the difficulty with which we are immediately faced, I think it is time that we did really put

[Shri Syamnandan Sahaya]

our sugar in the foreign markets and see what response this sugar receives. I fully appreciate that the time really has not come when we could compete in the foreign markets in respect of Indian manufactured sugar.

Shri Kidwai: Why?

Shri Syamnandan Sahaya: It is simple. Because for four years we have not been able to create a market of our own outside India. That is the answer.

Shri B. Das (Jaipur-Keonjhar): You producers have to take steps to export: not the Government. You have been exploiting all the time.

Shri Syamnandan Sahaya: My hon. friend is still in the stage of producer, miller, Government and the people. He forgets that this is a free country and everybody's interest is or at least ought to be the same. It is the Government in other countries which try all the time to secure markets for the products of their country. Wars have been fought to secure markets and to hold them tight. And even Mr. Das says he is the Father of the House and therefore he ought to know better.

The real difficulty is, we have not reached that stage when we can compete in the foreign markets. But, we can put our own manufactured commodity slowly in the foreign markets. That is why I said that the time has not come in the matter of the sugar industry. But, I would request the Government not to wait till the ultimate disposal of the old stock, but to take up this question of export at once. Out of the cess you may be able to divert something in order to secure foreign markets.

Before I sit down, I would again request the Government to consider carefully whether it would not be wrong even from the Government's point of view to adopt this Billl without defining any limit, that is without laying down that this cess will be leviable on sugar produced in 1952-53. If at the end of 1952-53 you feel that you require this tax for 1953-54 as well, there is nothing to prevent you from getting a Bill of this nature passed in a short time. But as your requirements are such that you will need it for this season only—if that is your estimate—I submit that you should accept my view, and not take general power of taxation which as laid down in this Bill is not limited for a definite period at all.

Shri Jhunjhunwala (Bhagalpur Central): It has been a sort of practice with our Government to come with a proposal for levying excise duty whether the sugar produced in the previous year has been at a high cost or at a lower cost. In the previous years when the sugar was produced at a low cost—I remember two years at least—Government came with the proposal that this sugar which had been produced at a low cost, should be sold at the same rate at which sugar would be produced in the coming year, and that the difference raised by levying of excise duty should go to the Government. That has been a sort of practice with this Government. I would ask Government, on whom is this burden put? This burden is put on the consumer both when the sugar is produced at a low cost, and when it is produced at a high cost. If in the previous year the sugar was produced at a low cost, Government says: "Well, the sugar has been produced at a low cost in the previous year, and the factories should not be allowed to make profit by selling it at a higher price—at the price at which it is produced the next year—and so, let us levy this duty and realise it from the factory, and raise the price of this sugar also to the same extent."

Shri B. Das: Not from the factory, but from the consumer.

Shri Jhunjhunwala: So far as the question of realising the excise duty from the factory is concerned, I can understand it, because why should the factory get the advantage of a higher price for the old stocks just because sugar is produced at a higher price in the subsequent year because of the high rate of cane or anything else? But then, I would like to know from Government why this burden should fall on the consumer? Why not equalise the cost of the sugar produced at a low cost in the previous year, and the sugar produced at a higher cost in the subsequent year, and fix the price for the consumer so that the whole of that sugar—whether produced in the previous year or in the subsequent year—can be sold at a somewhat lower rate, so that the consumer may get it at a lower cost?

That is the case when sugar is produced at a lower cost in the previous year, and a higher cost in the subsequent year. But here, the question is quite different. Here, the sugar has been produced at a higher cost in the previous year, and it is going to be produced at a lower cost in the subsequent year. Here also, we are throwing the burden on the consumer.

Shri Kidwai: No. We reduce the price of existing stocks, and therefore, what we take from the consumer for the new season, we give to the consumer immediately.

Shri Jhunjhunwala: Then, why should you do it at all? Let the sugar be sold freely in the market.

Shri Kidwai: I think the hon. Member knows that Government had controlled sugar, and entered into an agreement with the factories—that is what I am told is the legal position—for the last few years that so much sugar will be taken from them at a given price for sale in the ration-shops. Therefore, if Government releases that for the free market, then Government has to pay at the rate of Rs. 31/- a maund. While I want to reduce the price for North Indian factories by Rs. four and for South Indian factories by Rs. two. Next year we are not entering into any agreement with the sugar factories. The factories can sell in the open market, and they will have to compete with each other, and the prices will be low, but this year, on account of this guarantee, we have either to pass on the loss to the Government —that is, to the tax-payer—or to realise it from the consumer.

Shri Gadgil (Poona Central): Decontrol is guaranteed.

Shri Jhunjhunwala: I realise the difficulty of the Government.

Shri Kidwai: It is very good of you.

Shri Jhunjhunwala: It is not that I do not know it, but my point is this in previous years the Government have realised something from the consumers. Why should they not return the same now to the consumer?

Shri Kidwai: That question should be put to Mr. Gadgil who wants control.

Shri Gadgil: Decontrol it. I have no objection if you do it in this particular instance.

Shri Jhunjhunwala: I want to say that I have no objection for levying this duty.

Shri Kidwai: Thank you very much.

Shri Jhunjhunwala: But look at the way the Government is working. They throw the whole burden on the consumer. Neither the manufacturers nor the Government take the responsibility on themselves. Government entered into an agreement with the manufacturers that they will purchase the sugar from them at a guaranteed rate.

Shri Kidwai: Now we are not doing it.

Shri Gadgil: The rate of profit is also guaranteed.

Shri Kidwai: Now, nothing is guaranteed.

Shri Gadgil: Why do you not take it away from the margin of profit....

Shri Kidwai: This sugar?

Shri Gadgil:......so that it is worked out ?

Shri Tyagi: The incidence of margin of profit will always fall on the consumer, and there it is taken out.

Shri Gadgil: We can avoid that, if we give a little more thought to it.

Mr. Deputy-Speaker: The hon. Member may kindly be allowed to go on. (*Interruption*) It is open to any hon. Member to change sides.

Shri Jhunjhunwala: What I was going to say was that Government has been muddling this question of sugar industry. For the last 20 years, this sugar industry has been under protection. The other day when the Tariff Bill was being considered, some of the manufacturers said: "Well, this protection should have been allowed, once for all, from the very beginning, for a longer period". And in one industry the period was allowed for five years, though it was not necessary to allow them more than three years and in three years they would have been able to stand on their own legs. And you very rightly retorted at that time by saying "Well, if not five years, do you want 500 years?"

If we go into the history, and if we go into the details of the sugar industry from the very beginning, as to how it has been mishandled without knowing as to what its consequences will be— in other industries there is only one policy, that is, they rely on the manufacturer and we can take him to task at any time we like—we find they have failed to put this industry on a proper footing, and no more protection should be allowed. I would like to know why for the last 20 years this industry has been under protection. I would put a question to the Government why it has not been able to stand on its own legs, and why it

[Shri Jhunjhunwala]

has not been able to compete with foreign sugar.

I have been in this line previously for some time, and I can say that if this Government had handled this question properly, this industry would have been able to compete with foreign markets.

But the Government has never applied its mind to the question as to how the problems of the sugar industry can be solved. Just as I said before, while there is only one party, the manufacturer, that is responsible in other industries, here three parties have combined. I have said so several times before on the floor of this House that there are three parties combined; the first is the manufacturer, the second is the cultivator and the third and most powerful party is the Government. I had the opportunity of sitting with these three parties in a round table conference discussing what should be the price of cane, what should be the price of sugar and what should be the cess and excise duty which the Government should fix. Sometimes a higgling goes on between the manufacturer, the cultivator and the Government. The manufacturer will say 'The sugar price should be fixed at this level', while the cultivator will say 'No, the cane price should be fixed at least at this level', while the Government will say 'No, we must have also so much of excise duty and cess'. Now there is a compromise between the three parties; the manufacturer says 'Well, if you want so much for cane price, then you give me so much for cost of production', and the Government says 'Let us raise one pie or more by way of cess, and some excise duty also'. Every year some amount is put in for developing the cane, and for bringing in technicians to enable the industry to produce sugar more efficiently. But let us find out whether this money is properly utilised or not. The other day when a question was put as to how long the post of the Engineer (Sugar Technology) has been lying vacant, the reply was 'Since 1950'. When the question was put as to when the Sugar Technological Institution is going to be shifted from Kanpur to Lucknow where there is a big building, the answer came 'It is going to be shifted soon'. The money has been spent in frivolous and superfluous purposes, and not in doing proper work.

As far as the fixation of cane price is concerned, they do it by jerks. In 1939 or 1940—I do not remember exactly the date—the price of sugarcane was fixed at annas 12 per maund. At that time it was said that if the price was fixed at that the cultivators would grow more cane. Their cost of production was not more than annas six or so, and so it was said that the price should not be fixed at more than annas seven or annas eight per maund. But the price was fixed at annas 12, then there was the high price of sugar, and then some cess also was raised. The result was that there was a bumper crop. But what did the Government do subsequently? In the subsequent year, they reduced the price of cane from annas 12 to annas 4-9 per maund. At that rate it was not possible for the cultivators to grow cane. The result was that the sugar industry could not survive the shock till recently and there was shortage of sugar and we had to import. This is the way in which Government is going on since they have taken charge of controlling the industry. And this is the way in which the industry is being controlled.

In our country, the yield of sugarcane per acre is equal—if not equal, at least approximately equal—to what is produced in foreign countries. But it is not so throughout India. It is true only in some tracts. I had been putting the question before Government and trying to find out why the Government does not try to rationalise the sugar industry so that it can be confined only to such areas where the sugarcane can be produced at lowest cost. There is a dispute as to which are the areas that should be chosen. Some say that it is Southern India. We find that in Southern India yield per acre of sugarcane is more, while in Northern India the cost of cultivation is less, but the yield is also less. There has been a report by the experts that if a proper attempt is made by the cultivators, the same result can be achieved in Uttar Pradesh and also Bihar.

Shri Sarangadhar Das (Dhenkanal—West Cuttack): How can the cost of production be less, if the yield is not satisfactory?

Shri Jhunjhunwala: I am not referring to the cost of production per acre. I am only saying that compared to what the cultivator has to invest in Uttar Pradesh, the cultivator has to invest much more in Southern India. What I was trying to point out is that the Government has not given any attention to all these things, which is very necessary for developing this industry on an all-India basis and to enable it to compete with foreign markets.

My hon. friend Shri Syamanandan Sahaya has said that the Government should not make any delay in taking up the question of exporting of sugar. I was asking him 'How can Government do it?' The Government is busy giving something to the manufacturer, something to the cultivator and taking something to itself. Unless you can produce sugar at a competetive rate, when compared with foreign countries, how can you export? How long can we go on subsidising such exports? As I have pointed out, it is possible here to produce sugar at a competetive rate, but not in the way in which the Government is going on. The other day, my hon. friend Sardar Lal Singh....

Shri Kidwai: Is Government running any factory?

Shri Jhunjhunwala: Government is not running any factory, but it says that it is controlling it. But when the question is put as to who is responsible, nobody is to answer. When I asked Shri Syamanandan Sahaya whether it is the Government that is responsible....

An Hon. Member: Is the Government responsible?

Shri Jhunjhunwala: They are giving guarantee to the manufacturers.

Shri Kidwai: It is decontrolled.

Shri Jhunjhunwala: So when the Government takes the responsibility or controls the working of the factory, I asked Shri Syamanandan Sahaya whether I can hold him or the Government responsible.......

Shri Syamnandan Sahaya: Not me, but Mr. Kidwai.

Shri Jhunjhunwala: ...he said "I am only running the factory. What can I do when the Government interferes at every stage in my working? How can I go on?" So a situation has been created where we cannot see which party is to be blamed.

The other day my hon. friend, Sardar Lal Singh, said that the sugar price had been reduced to such an extent that it did not pay the cane grower to grow it. I do not know about Punjab, but at least......

Shri Kidwai: Sardar Lal Singh will speak about the cost of production of sugar cane.

Shri Jhunjhunwala: I think he should be able to say that. Therefore, I am.......

Sardar Hukam Singh (Kapurthala-Bhatinda): Anticipating.

Shri Jhunjhunwala: I do not know what the cost of production on the Punjab side is, but if Sardar Lal Singh had said that it could not be produced in any part of India, I think his statement was not right. We can produce. (*Interruptions*). I was just trying to show, Sir, that one takes the cause of the cultivator, the other pleads the cause of the manufacturer and then the Government is there, a powerful body.

Shri Gadgil: Nobody for the consumer.

Mr. Deputy-Speaker: Is it contended that the price of sugarcane will not go down at all?

Shri Jhunjhunwala: It will go down.

Mr. Deputy-Speaker: The only question is that one rupee per maund is mopped off the reduced price. Is it not?

Shri Kidwai: That is the only question.

Mr. Deputy-Speaker: Anyhow, whether with or without this cess, the price of sugarcane will go down because the Government has undertaken to pay Rs. 4½ crores.

Shri Jhunjhunwala: But this is going to be exported. This is meant in order to export outside. This is being done in order to meet the obligations that the Government have taken upon themselves without any rhyme or reason, that they will see that this sugar is sold at such and such a rate. Now about four lakh tons more sugar has been produced than is required in India.

Mr. Deputy-Speaker: Is it the contention of the hon. Member that an export duty may be imposed upon this?

Shri Jhunjhunwala: No, no. If we impose export duty, it will not be possible to export at all.

Mr. Deputy-Speaker: The consumer will benefit to that extent. If we do not export at all, the hon. Member's contention is that the consumer will get it cheaper on account of the excess of stock in the country. Why should it not be converted into an export duty? That was what I thought.

Shri Jhunjhunwala: No. If we convert it into an export duty, we will not be able to export at all and it may not be consumed here even in two years.

Shri Syamnandan Sahaya: The new sugar will be exported; it will be produced at lesser cost.

Shri Jhunjhunwala: When I was speaking, I was not speaking only on the merits of this levy. I was just trying to point out that the Government is not properly controlling this industry. This industry has been given protection for the last 25 years. The Government ought to have taken proper steps (*Interruption*) and if the three interests sitting together had taken it in their minds that they have to look at it from this point of view, that they have to make this industry stand on its own legs and control it in such a way that it can compete with the foreign market, I feel convinced, Sir, that by this time we would have been able to produce sugar at a competitive rate *vis-a-vis* foreign countries.

Shri Kidwai: I agree.

Shri Jhunjhunwala: If you agree, why did you not do it till now?

Shri Kidwai: Mr. Gadgil was controlling it.

Shri Jhunjhunwala: We have got a planned economy, a mixed economy—something owned by the Government, something owned by the manufacturer. Wo do not know whom we can hold responsible.

Shri Syamnandan Sahaya: It is that old story of the....

Mr. Deputy-Speaker: The Syndicate has been removed.

Shri Tulsidas (Mehsana West): Sir.......

Mr. Deputy-Speaker: I am also an ordinary Member of Parliament. We are not experts. For the benefit of Parliament, hon. Members will say: number one, how will it affect the industry? Two: How will it affect the consumer and what benefit will accrue to the Government? Three: How will it affect exports? And four: What will be the quantity of surplus in the country? Now on these various points hon. Members will express themselves and place the matter before the House.

Shri S. S. More (Sholapur): We are forgetting the cultivator.

Mr. Deputy-Speaker: Yes—how it will affect the cultivator? Now, if on all these aspects individually and clearly emphasis is laid—each hon. Member can lay emphasis on a particular portion—the House must have at the end of the debate full knowledge of all the aspects and how each section of the community will be affected so that they may judge in the end.

Shri Kidwai: That's it.

Mr. Deputy-Speaker: Let there be no confusion of thought, much less confusion of expression.

Shri Jhunjhunwala: There was absolutely no confusion of thought in what I said.

Mr. Deputy-Speaker: The hon. Member spoke exceedingly well.

Shri Jhunjhunwala: No, Sir, I want to make my point clear. What I am saying is that these three parties have combined. We have been giving protection to this industry for the last 25 years. How is it that it has not succeeded till now and is not able to stand on its own legs? The fault lies with the Government, with the manufacturer and with the cultivator.

Dr. Ram Subhag Singh (Shahabad South): Not with the cultivator.

Shri Jhunjhunwala: All these three have combined and put the industry in such a state that we are not in a position to compete with foreign countries.

Shri Tulsidas: Sir, on this piece of legislation, I have tabled an amendment which I will move later on.

Mr. Deputy-Speaker: The amendment is out of order, but the hon. Member is entitled to oppose that clause.

Shri Tulsidas: Sir, the reason why I tabled that amendment which you consider out of order, was that I feel that this measure is not in the larger interests of the country.

Babu Ramnarayan Singh (Hazaribagh West): Hear, hear.

Shri Tulsidas: Sir, I will come to my point and explain to you why I think that this sort of a measure is not in the larger interests of the country. First of all I would like to acquaint the House with the sugar industry. I am sure most of the Members know how the sugar industry has developed in this country. In 1932, the Tariff Board had decided to give protection to this industry. It was merely on the basis that the protection would ultimately go to the producer of sugarcane. In this case, U.P. and Bihar are the two provinces where sugarcane cultivation was to the largest extent and it was to those farmers who were suffering very badly that this protection was given in 1930-31. Within two years of protection the industry was developed to such an extent that we stopped all imports. The Tariff Board felt that it would take at least ten years before we could stop all imports. But the country could produce so much sugar that within a couple of years the imports were completely stopped. Thereby the country has saved a tremendous lot of money which was going outside.

I am not speaking for the industry or for the agriculturist or the Government. I am looking at it entirely from a larger and broader viewpoint. When it is mentioned here that the Government are considering giving the advantage of the lower price of sugar which will prevail next year, they should give it very soon so that the consumer will be benefited by the reduction. In fact the reduction of Rs. four for four months or three months' supply of sugar will be recovered according to the Statement of Objects and Reasons. The hon. Mr. Tyagi has just now said that it will be recovered at the rate of a rupee for the entire year's supply. That means that the benefit which the consumer will get is not actually a benefit at all but it is only showing that they are getting a benefit. That will be recovered back from the consumer.

An Hon. Member: Not the whole.

Shri Tulsidas: Entirely. It is only Rs. four today, that is only for three months' production. Well, it will be taken by one rupee from the entire year's production.

Shri Kidwai: That is what I have said.

Shri Tulsidas: I know. I would like to point out to you, Sir, that last year the production of sugar was the highest, in the history of the sugar industry. What was the reason for such huge production? The U.P. and Bihar Governments, by persuasion you may call it, or perhaps, by compulsion, forced the industry to crush the sugarcane crop which was there and which could not be sold out either by way of producing *gur* or *khandsari*. Therefore, the entire increase in production was to save the agriculturists of U.P. and Bihar from this loss. (*Interruption*). You just listen to me. I will just come to your point.

Shri Tyagi: Ultimately he will be nearer to you.

Shri Tulsidas: The U.P. and Bihar Governments benefited by Rs. two per maund on the extra cane which the factories consumed, from the cess of annas three per maund on the sugarcane, which works out to Rs. 21 per maund of sugar.

Mr. Deputy-Speaker: Was it imposed for carrying on research?

Shri Tulsidas: I am coming to that later on, Sir. But what I am pointing out is that the Central Government got Rs. 2/12 as excise duty on this increased production. The U.P. and Bihar as well as the Central Governments never expected that the production of sugar last year would be more than 12 lakhs of tons. The increased revenue by way of excise duty both to the Centre and the State Governments was on three lakh tons of production. According to the notifications of the Central Government, if this sugar was exported outside the country, the excise duty of Rs. 2/12 would be refunded.

Shri Kidwai: Yes, that is true.

Shri Tulsidas: Not only that; Rs. two of cane cess will also be refunded by the State Governments. When we export this sugar both the Central and State Governments are willing to lose their revenue.

Shri Kidwai: Not all the State Governments, except the U.P. Government which has always been very generous.

Shri Tulsidas: Anyway there is a statement that the U.P. is prepared to give up that as refund and the Central Government will lose the revenue to the extent of Rs. 2/12. When we export the sugar the Central Government is willing to lose that revenue and not recover it as they want to do now. They suggest that even the U.P. is prepared to lose that.

Mr. Deputy-Speaker: Is sugar exported to hard currency areas?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): No, not to hard currency areas.

Mr. Deputy-Speaker: Then why this concession?

Shri Tulsidas: Whenever these commodities are exported from here, whether it is sugar, textiles or any other thing, my friend Mr. Krishnamachari knows it well, the excise duties are refunded.

Now we want to sell the sugar at Rs. four cheaper in the interior and want to give the benefit to the consumer. We want to recover it from next year's production. Now that is the position. The Government say

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that if we export it they are prepared to let it go. That is the position. I can understand that in internal consumption; the State Governments do not come in and the Centre has to bear the loss; and in exports the State Governments also bear the loss. Now, the question is as regards the Rs. 4/8 or Rs. four loss which the Central Government now proposes to put on the next year's production, whether it is equitable or fair or not. We have just heard from a number of people that the sugar industry has been in a very vacillating position. Production has been going up and down, the prices have gone up and down and there has always been a gamble.

Shri Kidwai: Always the industrialist gets his profit.

Shri Tulsidas: No, Sir, I can give you the figures. In the industry, the sugarcane price is 60 per cent., 20 per cent. is the excise duty of the Centre and the State Governments; and......

Shri Kidwai: 20 per cent.?

Shri Tulsidas: Yes; 20 per cent. Ten per cent. is the cost of labour. Five per cent. represents other costs; and then five per cent. is the profit out of which comes the selling commission which they have got to give to their own distributors, whatever it is.

Shri T. T. Krishnamachari: It is industrial philanthropy.

Mr. Deputy-Speaker: Order, order. The hon. Member may be allowed to go on as he likes.

Shri Tulsidas: Now my friend Mr. T. T. Krishnamachari, who is in charge of Commerce and Industry in this country and who calls himself the saviour in the private sector....

Shri Kidwai: Does he?

Shri T. T. Krishnamachari: I do not say so.

Shri Tulsidas: He interferes in this respect because he considers that the figures which I give are not correct. I would like him as Minister of Industries to examine those figures. If I am wrong he can contradict me. Instead of doing that there is no use in interfering like this, not knowing the exact facts. I am talking of U.P. and Bihar.

Dr. Ram Subhag Singh: The figures are these, Rs. 17/4 was the amount given to the cane grower for one maund of sugar which the mills were selling at Rs. 65 per maund and the excise duty is only Rs. 2/12 or so and the labour charges, ten per cent. This indicates that the cane growers never got 60 per cent.

Mr. Deputy-Speaker: The hon. Member may be allowed to have his own way.

Shri Tulsidas: May I clarify my point? Rs. 17/8 is the price which the hon. Minister gave last year. Rs. 1/12 is the amount of sugarcane price which the factory has to pay. Three annas is the cess and one anna is the commission.

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): In some cases they pay only eight annas.

Shri Tulsidas: It comes to Rs. 20/- per maund. So let us calculate what is the percentage. It is 66.6.

Shri Kidwai: Is the hon. Member sure that the factory always pays the scheduled price for sugarcane?

Shri Tulsidas: This I do not know.

Shri Kidwai: Here is a cane-grower who has not been given more than eight annas.

Shri Tulsidas: Then it shows the weakness of the administration. It is no use saying that it should be so because they believe that the factory owners must have paid a low price. But, I am not here to defend any factory or the industry. I am here to point out to this House that a measure of this kind is not in the larger interests of the country. I have to point out that if sugar is exported the Government is prepared to lose this revenue but if it is sold in the country then it wants to recover it from the consumer.

I would also like to point out this. If the fullest extent of production is there, which is in excess of demand even at present, if the carry-over to the next year is very heavy then what will be the effect? The consumption in this country is not more than 12 lakh ton. We have already got four lakhs of tons of production and if it goes to the industry to be carried over, then next year the production will be automatically cut down. If this four lakhs is to be carried over to next year then production is bound to be reduced. Ultimately what will happen is that there may be a shortage in this country.

Pandit Algu Rai Shastri (Azamgarh Distt.—East *cum* Ballia Distt.—West): They will bring from foreign countries.

Shri Tulsidas: Then next year's production will be reduced and the Central Government's excise duty will be reduced; but if it is found that there is need, there may be a complete scarcity of sugar again Yesterday, we heard during the food debate that the Government wanted to keep a buffer-stock. I cannot see why they should not keep this increased production as a buffer-stock.

Shri Kidwai: Even if they do so, the price has to be reduced.

Shri Tulsidas: Let me finish please. You have got these three lakh tons extra You can keep it as a buffer-stock. If it is exported. Government would lose revenue. If it is kept as a buffer-stock, then, when the prices go up you can put it on the market and control the price. In the meantime, there will be no need for the industry to carry it over, and because of this the industry is bound to maintain the production and thereby there would be some sort of stability achieved. One day you put down the price of sugarcane and another day you put down the price of sugar. Then you complain of low production, and push up the price of sugarcane and increase the price of sugar. I think the time has come when Government should adopt a stable policy, and this extra production should be kept as a buffer-stock.

I now come to the question of the cane cess. When it was levied by the two State Governments concerned, it was meant for improving the quality of the cane and for better facilities to the agriculturists who grow sugarcane.

An Hon. Member: And better transport.

Shri Tulsidas: I am sorry to say that this cane cess has not been utilised for these purposes, but it has been treated as an item of Government revenue. In fact, the recovery has gone down. I strongly feel that either this cess should be properly utilised for the development purposes mentioned, or it should be altogether removed. It is no use putting a burden on the consumer without any benefit to the industry.

I now come to the question of cane price. It has been said that in many places the price of cane is less. It is also said that whenever a higher price is paid, the price of sugar goes up and it is not possible to sell the sugar either for export or for internal consumption. My own feeling is that if the agricultural aspect of the growing of sugarcane is improved, and instead of the present yield of 300 maunds per acre, the grower can produce 400 or 450 maunds per acre, then it would be possible for the farmer to get at the same sugar price something like 30 per cent. to 50 per cent. increased return. If the quality is improved, the price of sugar will go down and the country would benefit by low price. The recovery in the South is 12 per cent. whereas in the North it is nine per cent. and last year it was 8.6 per cent. So far, the prices have been fluctuating. If the Government maintains a buffer-stock, which can be placed on the market at any time, production would be maintained. Instead of that, the Government are now trying to fritter away the extra production by selling it at a low price and recovering the cess from the consumer. I fear that after two years or so, we shall find the position to be the same as it was two years ago.

1 P.M.

Government would come forward with a complaint once again saying that the sugar industry has not behaved well. They do not care to see that the sugar industry is stabilised. Why do not the Government do it? Why should the industry carry this stock? After all, Rs. 30 crores have been invested, and if that money is paid to the industry, it can pay back to the banks from which it has borrowed, and ultimately the money will come to the Reserve Bank. Leaving aside the question of finance, the stock is there. Therefore, I cannot understand Government's difficulty. I do feel very strongly that in the larger interests of the country as a whole, it is no use shifting the burden on to the industry. I would request the hon. Minister to consider this question from this larger and broader point of view. It is the country's point of view and also represents the long-term point of view of the sugar industry and trade. Unless you take these steps, this industry will never be established and the agricultural aspect of it will never improve. Therefore, I request you to please consider the question from this angle.

The House then adjourned for Lunch till Half Past Two of the Clock.

The House re-assembled after Lunch at Half Past Two of the Clock.

[MR. DEPUTY-SPEAKER *in the Chair*]

Shri Gopala Rao (Gudivada): The Bill before the House has been presented as a simple measure seeking permission to levy a small additional excise duty for a brief period. But if we go deep into the matter and study the Bill carefully, it would be obvious that it is not so simple as it has been represented to be. We have to go into the origin of this measure to appreciate its significance.

The Statement of Objects and Reasons begins by saying that the price of sugarcane has been reduced to Rs. 1/5 per maund as against last year's price of Rs. 1/12. Here starts the whole story of a treacherous attack on the sugarcane growers who are in millions on our countryside. The cane-growers used to be paid Rs. 47/10/- per ton of sugarcane. All of a sudden, the price of cane was reduced by about 25 per cent. to Rs. 35/11/- per ton. So the very basis of this Bill starts with an attack on the sugarcane growers, whose number is about 20 million agriculturists. That is why we cannot consider this measure to be a simple one.

If the Government were prepared to allow the consumer to take full advantage of the reduction in the cane prices, I can certainly appreciate the step. But that is not so. It is categorically stated that Government is not going to reduce the sugar prices here and now.

The sugar industry is the second biggest industry in India, in which about Rs. 40 crores are invested. Cane cultivation provides employment for nearly 20 millions of agriculturists. A good number of persons are employed in the factories. In recent years the sugar industry has developed to a large extent. The acreage under sugarcane is estimated to be about 50 millions. Last year's production was estimated to be about 14 lakh tons. But it has been repeated to us very often that the sugar industry is facing a crisis because the quantity of sugar available in the country is in excess of the internal requirements. They now want to bring down the area under sugarcane by reducing the price of the cane.

The hon. the Commerce and Industry Minister while speaking on the Essential Supplies Act during the last session said that the whole burden of the increased prices was borne by the poor consumer and that is why they want to reduce the burden on the consumer. But does the benefit of the reduction go to the consumer? No.

In spite of the fact that our production of sugar is as much as 14 lakh tons, what is the average consumption per head in our country? It is very negligible, compared to the consumption in other countries. The average *per capita* consumption is about six lbs. per year. The *per capita* consumption of sugar in the United Kingdom is 112 lbs. per year. But still Government are not tired of saying that our production is in excess of our requirements. Therefore, Government have decided to find out a short-cut solution by discouraging production.

The Statement of Objects and Reasons says that there can be a reduction of Rs. seven per maund if there is no levy of the type proposed to be made now. On the one hand, posing as champions of consumers' cause they have reduced the price of sugarcane. But they are not willing to pass the benefit of this cut to the consumer.

The Planning Commission in their rosy picture have estimated that by 1955, the country will reach the target production of 17 lakh tons. On the one side they take steps to discourage production, while on the other they keep on fixing increased target production by a particular year. That is why I say that the very basis of this Bill is completely wrong especially when you see how this Bill affects the growers.

In the Statement of Objects and Reasons to the Bill it is said that if this levy is not imposed the consumers can be benefited to the extent of rupees six or rupees seven per maund, but if this levy of rupees one is imposed for the present the reduction in the sugar price will be about rupees four. I wonder how the imposition of an additional levy of rupee one comes to a reduction of rupees four per maund in the price. What about the other margin of rupees two?

If you want to see how this affects the growers you have to go into the policy which the Government have adopted from time to time and the steps taken by them to solve the sugar crisis. In the last year the first attack was made by the Government on the sugarcane grower when the factory owners refused to pay money for the sugarcane supplied to them. Even the other day the hon. Minister of Food and Agriculture admitted that there were arrears to the extent of Rs. 4½ crores in one single province, U.P. itself. In my own province, that is Andhra, the sugar factory owners refused to pay a sum of Rs. 1½ lakhs, and when the peasantry came to them for the money they offered them the sugar and said 'we are not prepared to pay money'. How can the poor grower sell that sugar and realise his money? I put a straight question to the hon. Minister: what steps have you taken to see that these practices are set right and the poor grower is paid at a reasonable rate for the sugarcane which was supplied six months ago? Instead of helping the sugarcane growers what the Government of India did was that it issued some order last year to the effect that the sugar factory owners need not pay in one instalment all the money that is to be paid to the sugarcane growers; they said that the sugar factory owners could pay by 31st October. For the sugarcane supplied in January or February how can the poor peasants wait for eight months? You know the fate of our peasantry, how at every point they are oppressed by various evil forces. But unfortunately that is the problem which remains unsolved by the Government of India.

The second thing is the reduction of sugarcane price. That reduction is the very basis of this Bill. Had there been no reduction in the sugarcane price there would have been no Bill of this sort. There is no doubt about it. Therefore it is one of the important points to be considered. Of course if it is a question of reduction in the price of the sugar to the consumer one can understand it. How is it possible to have this reduction? In the morning the hon. Minister was trying to show how the sugar factories are not in a position to develop their industries or secure enough profits by these rates. But I can show you—I come from a constituency where sugarcane growers are in thousands—and with your permission, Sir, I can give balance-sheets of these factories and show how after paying the sugarcane growers at last year's rate of Rs. 47/10/- the factory owners have been able to derive huge profits. They have been deriving huge profits since the war. Of course it was fixed at Rs. 20/14/- up to 1947, but by blackmarket methods they were able to get huge profits. In the post-war period, when the control was lifted in 1948, the prices rose from Rs. 20/14/- to, it seems, Rs. 35/7/-. I shall give you figures of the profits derived by the sugar factories even after paying at the rate of Rs. 47/10/2. I have got so many balance-sheets prepared by one of the factories in my constituency, K.C.P. Limited, Wuyyur. These balance-sheets are prepared by the factory authorities themselves. The 1951-52 balance-sheet clearly shows a net profit of Rs. two millions. Besides various remunerations Rs. four lakhs given to the managing director, some reserve funds, some donations, some depreciation funds and all sorts of things, besides all that they get a net profit of Rs. two million. Here is the balance-sheet. In 1949 also they got a net profit of Rs. 12 lakhs, and in the previous year Rs. seven lakhs. In the same way, if you study the balance-sheets of these sugar factories—they are their own balance-sheets, they are prepared by the sugar factory owners themselves; if you study them critically perhaps you can get some more figures, but I am satisfied with their own balance-sheets....

Shri Sarangadhar Das: What is the capital of that company?

Shri Gopala Rao: It is one of the biggest factories with a crushing capacity of 1,500 tons per day.

The reduction of sugarcane prices cannot be justified on the ground that we want to reduce the price of sugar. If it is the purpose of the Government to reduce the price of sugar and to see that the citizens and the consumers are benefited and the sugar industry is properly developed, there are other ways of doing it. Even according to the Experts Committee and according to the findings of the Tariff Board, which the hon. Minister was quoting in the morning, the cost of production in Madras State is not less than Rs. 1/9/- per maund. Am I correct? Rs. 1/8/8 or so.

Shri Tyagi: A few years back.

Shri Sarangadhar Das: It ought to be more now.

Shri Tyagi: That includes transport charges and profit, both.

Shri Sarangadhar Das: Prices have gone up since then.

Shri Gopala Rao: Government take the obligation to give a guarantee to the sugar factory owners that the sugar of 1951-52 must be not less than Rs. 29/12/- or Rs. 30. Of course it varies from Rs. 29/12/- to Rs. 34/14/- or so. But I want to ask one straight question: Is there no obligation for the Government to consider the state of the sugarcane growers?

Shri Kidwai: And the consumers.

Shri Gopala Rao: You know the peasants have taken advances to a large extent on the assumption that the price of the sugarcane will be Rs. 47/10/- like last year. If on the eve of the crushing season you come forward with a sudden decision that it

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must be reduced to Rs. 35, how can the poor peasant take his stand? He has taken his advances on the assumption that the rate would be Rs. 47/10/-. He has made his advances to the manure merchants and others on this assumption. In this way millions of them are very much perturbed. It is stabbing in the back the toiler who is the backbone of our society.

If you see the condition of the workers it is very unsatisfactory. I can give one glaring example from a factory in my own constituency. In that factory the remuneration given for one managing director was Rs. 3,73,000 per year but the thousand workers were paid Rs. 2,40,000 per year. You can realise the conditions of the workers.

The policy which is taken by the Government is not in the interests of the consumers, not in the interests of the sugarcane growers or in the interests of the general development of the sugar industry. That is why Government wants to take a share in the profit which will result by the reduction in the price of sugar. They also want to reduce the share of the sugar factory owners because they are given the guarantee to sell at Rs. 29 12/- a maund. This Bill is an attack on the growers. This plunder will be shared between the Government and the sugar factory owners. This is not justified.

If you take all these factors into consideration. I think there is no moral justification for this Bill. There is no political necessity for this. No responsible democratic Government can try to adopt such methods to build up its exchequer or to fulfil its financial obligations towards the country. That is why I strongly oppose this Bill.

Sardar Lal Singh (Ferozepur-Ludhiana): I have limited time at my disposal, so I must. . . .

An Hon. Member: You can take your own time.

Sardar Lal Singh: That is very good. The day before yesterday I was stopped rather suddenly. So I wished to be cautious today.

Mr. Deputy-Speaker: The hon. Member may proceed on his own inner voice and not take a hint from the other hon. Members.

Sardar Lal Singh: In my speech I have got to hammer, and hammer rather strongly, on several points but before I do so, I should like to answer very briefly some of the points that were raised in the morning. For instance, I was asked as to what the cost of production was in the Punjab. I have got before me authentic figures which give the cost of production as worked out by the Indian Tariff Board. In the case of Punjab the cost is shown as Rs. 1/5/3 per maund but remember that the cost under irrigation is given only as Rs. 15 per acre. This is the *abiana* rate for canal area which covers only a small percentage of the total area. Apart from canal irrigation, the other irrigation is by means of percolation wells or tube-wells and the cost of irrigation of sugarcane under percolation wells comes to Rs. 125 to Rs. 150 per acre so that the cost would be much more than Rs. 1/5/3 as worked out by the Indian Tariff Board in 1949. It is true that the Indian Tariff Board had hoped that in the course of the next two or three years, the cost of production may go down, but it was a pious wish. The Central Government had also thought that India would be self-sufficient in food in 1952 but we know how far that pious wish has been fulfilled. What we have got to see is whether the cost of production, as worked out by the Indian Tariff Board only three years ago, has gone down or has gone up. After all, the cost comprises land revenue, irrigation charges, labour and others. The labour charges since then have gone up, as also the land revenue or *abiana* rate and irrigation charges in most parts of the country. Besides, the cost on fuel oil—petrol, mobil oil, diesel *etc.*—as also of tractors, tube-wells, agricultural machinery and their spare parts have gone up. I am prepared to join issue on the subject that the cost of production, if anything at all, has gone up higher than what it was worked out by the Indian Tariff Board. If the Indian Tariff Board at that time had thought that Rs. 1/7/- per maund of cane was the absolute minimum, there is no reason why the price should have been suddenly reduced from Rs. 1/12/0 to Rs. 1/5/0 as has been done by our hon. Minister of Food.

There were also other points raised in the morning. For instance, certain hon. Members deplored the fact that the area under cereals was being replaced by cotton or sugarcane and other cash crops. Here again, I am afraid, they are indulging in or making use of more imagination than the real facts. The area under sugarcane has not gone up to any appreciable extent. Secondly, we must also realise that after all the area occupied by sugarcane, roughly speaking, is only about four million out of about 350 million acres of cultivated area, so that it forms only about one per cent. of the total area. After all this small increase or decrease in sugar area cannot make very much difference in the area under cereals. Similarly in regard to cotton. As was rightly pointed out by our hon. Minister of Finance yesterday, cotton is also badly needed in India. We are importing cotton worth about Rs. 90 or 100 crores a year. Cotton production accordingly is as important for us as cereals or any other commodity. Further sugar is an important food crop. It is in fact a cheaper food than many others. I have got here very interesting figures which show the amount of consumption of sugar in various countries. In India the annual consumption of sugar is only about eight lbs. and *gur* about 20 lbs. or a total of 28 lbs. Most other countries are consuming much larger quantity. For instance, Holland 108 lbs. Denmark 112 lbs. Sweden 116 lbs. Norway 62 lbs. and so on. If we compare the food value of sugar with most other food stuffs, at the prevailing prices, we will find that sugar is relatively a cheap food. From one acre under sugarcane, we can get as much quantity of food as from several acres under other crops. So there is no reason why we should grudge a slight increase in the area under sugar, if any.

Again some of the statements made by some hon. Members can only cause consternation in the minds of those who understand the subject. One hon. gentleman. I do not remember who he was, had this morning, deplored the fact, that certain fields, which he had seen formerly under cereals, were occupied by banana. I ask what harm has been done. One acre of banana can give more food than several acres under cereals. After all, Germany and England did not solve their food problem by increasing the production of cereals only but by increasing potato production. Further, one acre under sugarcane or under banana would give employment to a much larger number of labourers, so that even from the point of view of employment—our serious problem—it is desirable that we should have more and more area under intensive cultivation

3 P.M.

Now I come to the topic of sugar policy. In my discussion on the food policy the other day, I had appealed to the Government to do justice to the cultivators either by (a) following the principle of planned economy and guaranteeing to the cultivator a price which would meet the cost of production and leave him a reasonable margin of profit, or (b) allowing the cultivator to lose or benefit in different years in accordance with the law of supply and demand. I am glad that the hon. Finance Minister readily agreed to this proposition, because he recognised the force of the argument. I am also glad that some of the hon. Members on the opposite Benches met me in the lobby and strongly supported the view that the cultivator must get a price which would meet his cost of production and leave a reasonable margin of profit.

[MR. SPEAKER *in the Chair*]

This is exactly what the cultivator expects from them as they are as much interested in his welfare as anybody could be, irrespective of party politics. My appeal to them is that, even if they cannot support the proposition here openly because of party discipline, they must at least exert pressure in their own party meetings and see that the Government does justice to the cultivator. After all, the poor cultivator has also certain ambitions, certain feelings and he is not born in this world to prespire, sweat and enslave himself only for the sake of others.

The Indian agriculturist is dubbed as backward, unprogressive, even primitive, both in his outlook and in actual profession. Perhaps he is; or perhaps—which is more likely—he is only the poor victim of circumstances or, may I say, the unsympathetic attitude of the Government: formerly a white bureaucracy, now a brown bureaucracy. He is perpetually kept in financial subjugation and economic bondage and perennially enchained to poverty so that the poor fellow is not able to stand on his own legs at any time. The aggriculturist may or may not be primitive. But, in all humility, I ask if our Government, progressive as it says it is...

Some Hon. Members: No, no.

Sardar Lal Singh: . . . is showing any sign or has given any proof of a progressive outlook.

Some Hon. Members: No, no.

Sardar Lal Singh: Our Government only knows two things: that is, (a) levy taxes if it needs money and (b) strangle the poor cultivator if it is hard pressed by the consumer or if it has to win cheap applause from the Press. It does not realise that there are other scientific ways, sensible ways

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of getting more money to the exchequer and also lowering the prices of foodstuffs: that is, by means of efficiency and long term planning. A still greater misfortune is that an ever obliging Press is there to give publicity to every statement of the Ministers without subjecting them to close and scientific scrutiny. Lest I should be misunderstood, let me hasten to say that I am not against taxation provided the money is used for the good of the country and for bringing about a permanent improvement in the industry. Nor am I against the lowering of the prices of sugar and other foodstuffs, which can be easily done without strangling the cultivator.

In today's speech I shall endeavour to show (i) that the additional excise duty is not absolutely necessary, (ii) that even if it has got to be imposed, it should be spent for the benefit of the industry, (iii) how the sugar surplus should be disposed of profitably and (iv) how we can reduce the price of sugar. But, in order to understand the problem, it is necessary to know the background of this matter. Even though public memory is frightfully and proverbially short, we could not have forgotten the acute shortage of sugar only two years back, resulting in demoralisation all round in this country: black-marketing; sugar scandals; wastage of valuable exchange in importing sugar: closing down or at least strangling of some of the industries which were dependent on sugar. Even sweets for children had become almost a thing of the past. Rationing of sugar was such as if it was medicine for us to use. The sugarcane cultivators deserve our gratitude for making this country not only self-sufficient in sugar, but even surplus. A sensible Government or a national Government...

An Hon. Member: Call it so.

Mr. Speaker: Order, order.

Sardar Lal Singh: ...a national Government which has got the interests both of the consumers and the cultivators at heart, instead of killing the goose that lays the golden egg, would have found ways and means of improving the conditions: a goose which had given 15 to 20 crores of rupees to the Central Government by way of excise duty and cesses, a goose that has made it possible for us to get sugar at six annas a pound, which is very reasonable, as compared with other commodities, and a goose that has made sugar scandals a thing of the past and that has saved us from the demoralisation into which we had sunk only two years back. Now, why has our hon. Minister of Food thought fit to cut down the price of sugarcane in the face of protests of sugarcane growers from all over India, in the face of resolution of the Indian Central Sugarcane Committee which is supposed to be a most competent body in India, in the face of the recommendations of three leading cane-growing areas, U.P., Bihar and Punjab, and in the face of the opinion of State Agriculture Departments that Rs. 1/5/- does not pay the cost of cultivation and leave a reasonable margin of profit to the cultivator? It is true that the hon. Minister of Food had given certain replies to certain questions. I had also put in two or three questions. Unfortunately they were disallowed because I had used the word "reasonable" in them which the hon. Speaker thought converted them into suggestions rather than questions. Of course inexperienced as we new M.Ps. are, we naturally have to suffer under these handicaps. Subsequently, I had submitted a request for a half-hour discussion. That also was disallowed for similar reasons, so that, I could not get an opportunity of replying to the observations made by the hon. Minister of food.

An Hon. Member: Is it democracy?

Sardar Lal Singh: And even now, I cannot go into the details of replies given by the hon. Minister, because I have got to discuss some other points, but I must reply to two or three of his important observations.

He had stated that the cost had to be reduced because the Indian Tariff Board had recommended, that in 1952 the cost should come down to so much. I have already replied that it has turned out to be only a pious wish. The crux of the problem is whether the cost of production has gone up or gone down, and I have already said that I am prepared to join issue on that point. Further I may suggest to the hon. Minister of Food to write to the State Departments of Agriculture, in order to see how many of them agree with him that Rs. 1/5/- is a reasonable price for cane.

Secondly, according to his statement, he had calculated the price of sugar on the basis of income that a cultivator was likely to get on manufacturing *gur* from his cane. That again is unjustified. In all civilised countries of the world, Governments which believe in *planned economy*, always determine the *cost of production*, and then fix the price. Supposing a farmer does not get enough by making *gur*, does it mean that he should not be given a reasonable price even for the cane that he has to sell for the purpose of sugar. This is no reasoning. Two years back in sugar mill areas, the cultivator was forced to supply cane to mills and prevented by law from making *gur* when *gur* prices were high. It was stated that our sugar has got to compete with that of foreign countries. I feel it is more desirable, and important for our national Government to do justice to the cultivators, and to see that they get a reasonable price for their produce, than to enable the sugar mills to export sugar.

And then have we been thinking of parity in price between other crops in India as compared with other countries? If not, why single out sugarcane alone and why should we, just on that score, run down the sugarcane cultivators? However, I need not go into this matter very much further, as I shall have perhaps other opportunities of discussing it with the hon. Minister of Food.

There seems, however, no doubt that two main considerations weighing with the Government for cutting down the price were (a) there is a surplus of three lakh tons of sugar which has unnerved our hon. Minister of Food, as perhaps the whole Government of India; and (b) this year's crop is ready for harvest, cultivators have already grown the crop and they have got to sell it at any price as it is a perishable commodity. It is just a question of taking advantage of the helplessness of the cultivator—nothing more than that...

Coming to the surplus of last year, firstly sugar surplus is not going to be a normal feature in this country and this should be clearly recognised. It was a combination of many factors last year that brought about the surplus. The area was large, whether conditions were favourable, yields were high, and sugar factories continued crushing for a very long period, because they had realised very high prices in preceding years. The cane growers had increased area and gave best attention to crop as they were able to get year before last even more than Rs. 1/12/- per maund for a part of the supply; this was because the sugar factories were also allowed to sell sugar in the open market at any price after supplying to the Government the required quota, and it is a fact that some of the sugar mills sold good quantities of sugar at Rs. 60 to Rs. 70 a maund. No wonder that there was an abnormal production last year. This year, I can assure the hon. Minister, that he will not have a surplus. So, this little surplus of three lakh tons should not have unnerved our Government.

Secondly, consumption of sugar is going to increase in future...

Shri Kidwai: Let us hope so.

Sardar Lal Singh: ... because industries like confectionary, fruit preservation etc., dependent on sugar were almost strangled because of the unavailability of sugar, and its high cost during last few years. We also know that even *mithai* was beyond the reach of average man, and people are going to use in future more and more of sweets and sugar in other forms so that consumption is bound to increase in future.

Further, a Government, imbued with business ability, should have found ways and means of utilising the surplus and permanently extending the internal market, rather than killing the goose that lays the golden egg. In this connection, I cannot do better than give the example of Australia where I had opportunity to study the problem at some length—how this country tried to solve the problem of consumption of Australian sugar.

The Government of Australia decided to develop its sugar industry to meet the internal demand and to be independent of the import of foreign sugar. It also realised that it would not be possible at least for some years to produce sugar as cheap as in other countries because of the high cost of cultivation in Australia, and Australian sugar would not find ready market in the world. So it simultaneously took steps to guarantee to Australian fruit preservation industry and other industries dependent on sugar, the supply of the required quantity of Australian sugar at world market rate. No doubt this meant a certain amount of sacrifice on the part of the Government, on the part of the sugar industry, and perhaps, the people, but what is the result?

Shri Kidwai: Why perhaps?

Sardar Lal Singh: The result is that the sugar industry of Australia which faced many difficulties in the beginning—in fact, few could imagine that

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Australia would ever be able to develop its sugar industry because of the high cost of production—has developed greatly, and Australian sugar is now able to compete in foreign markets. Further, by this device, they were able to extend the internal market for Australian sugar and also develop fruit preservation industry to an enormous extent. The industry which was only a tiny affair in the beginning, has now grown to such an extent that Australian fruit products are available in every nook and corner of the world, and they are flooding our own country. Remember please that Australia has got only about 1½ or two per cent. of the population of India, and yet they were able to develop their fruit preservation industry to this extent largely because the Government, besides other concessions, guaranteed the supply of sugar to this industry at the world market rate in the beginning, and now there is no necessity of even continuing that concession because Australian sugar is as cheap as world sugar. Similarly, I have no doubt whatsoever that if our Government were to encourage industries in this country which are dependent on sugar, it will achieve the same results. There is abundant scope for development of horticulture and fruit preservation industry in this country, and this industry is considered as of the highest economic, and strategic importance, in every country. And if such an assistance were given to this industry—and here comes the long-term planning that I spoke of at the beginning—I have not the slightest doubt that preserved fruits and fruit products—fruits which are peculiar to India like mangoes, guavas, pine-apple etc., will find ready sale in the world market; not only will this industry develop, but in course of time, permanent internal markets for Indian sugar will also be created, so that Government in future will not have to get unnerved by a little surplus of sugar off and on.

Further, if surplus sugar of three or four lakh tons in India could not have been profitably utilised, then certainly Government could have explored best means to export it. In this connection, firstly, the sugar mills could have been expected to forego a small fraction of their huge earnings during the last two years. After all, as I told you, some of the sugar mills were allowed to sell a part of the sugar at Rs. 60 to 70 per maund as against control of about Rs. 30/- even though they paid to the poor cultivator only Rs. 1/12/- per maund. So, in exporting sugar they could have been expected to forego a small fraction of their abnormal earnings.

Secondly, if our Government has got a very soft corner for sugar mills......

Shri Kidwai: Softer for you.

Mr. Speaker: Order, order. Let there be no talk between the two hon. Members across the table. The hon. Member may address the Chair and speak.

Sardar Lal Singh: I suggest that Government should not hesitate to subsidise export, as was suggested in the morning by the hon. Minister. I understand that the difference in the prices of Indian sugar and world sugar is of the order of rupees five to seven per maund, which means a difference of about 20 per cent. But if excise duty and cess are excluded, then the difference comes to only about a couple of rupees per maund, that is, about seven per cent. or at the most ten per cent. Now even if Government want to get rid of all the three lakh tons of sugar by export, the total subsidy required would not exceed rupees two crores, which Government should not hesitate to pay; after all this amount is not coming out of the Exchequer, but only out of the excise and cess fund amounting to about Rs. 15 to Rs. 20 crores. Moreover the practice of subsidising export is nothing new. The usual practice in Australia, as also in other countries is, that the price of sugar, for internal consumption, is fixed on the basis of the cost of production, and surplus sugar, if any, is exported to foreign countries at subsidised rates, if necessary. So there is nothing wrong in subsidised export and Government could have easily exported these three lakh tons of sugar and in addition could have earned some foreign exchange so badly needed. For export purpose if sugar mills are not to forego even a small portion of their income, and the Government of India also do not propose to forego, like a perfect Jew, any part of its last year's excise and cess, then I suggest that the amount proposed to be raised by this additional taxation should be used for subsidizing export instead of the Government trying to cut the throat of the cultivators by heavy reduction in cane price on the excuse of existence of surplus sugar in this country.

As regards the question of reducing the price of sugar, the mill-owners argue that sugar has got to be produced in India at a price which would permit its export to other countries at world market rates. As I have said earlier, doing justice to the cultivators and ensuring for them an adequate price which would meet the cost of production plus a reasonable margin of profit, is more important than enabling the sugar mills to export sugar.

Secondly if the cost of sugar has got to be reduced to enable Indian sugar to compete in world market—I have already mentioned that the difference is only about 20 per cent. or so if we include the cess and excise duty, and only about seven or ten per cent. if the excise and cess are excluded—it is only fair that the difference be made up by all parties, the growers, the sugar mills, the Government or even the public at large and the cultivator alone should not be made the beast of burden to carry all the load. The sugarmills should forego a portion of their profit, besides improving their efficiency. I may incidentally mention that manufacturing costs account for 35 to 40 per cent. and cane for 65-60 per cent. of the total price of sugar in India, as against 19 to 30 per cent. and 81-70 per cent. respectively in countries like Java, Lousiana, and Hawaii islands. That shows the margin and scope for reduction of cost under heads other than cane in our country. As already stated, in order to make Indian sugar compete with foreign sugar in the world market, without any subsidy, a reduction of not more than ten per cent. or so in the price is needed, besides excise and cess on the exported sugar. If the price of cane had been reduced only by annas two, per maund, that is from Rs. 1-12-0 to Rs. 1-10-0 it would have meant about seven per cent. reduction, and, I think, a sacrifice of seven per cent. on the part of the cultivators would have been more than justified. But as it is, a sudden reduction of 25 per cent. that is, from Rs. 1-12-0 to Rs. 1-5-0, has been made which will definitely prove disastrous to the industry, besides ruining the cultivators, and what is still worse, creating in their minds a very undesirable, but inevitable, impression that if in the matter of increased production of sugar, they could be treated so shabbily by the Government and price could be reduced so suddenly and drastically at a time when the crop was ready for harvest, and when they were helpless altogether, where is the guarantee that Government would not take a similar advantage of the situation when the cultivators produce more cereals—a psychology likely to prove most disastrous to our campaign for "grow-more-food". We have to see that the cultivators do not get unfortunate impression like this.

Before concluding, I would like to repeat again that Government should fix the prices of all crops—not only sugar, but all crops—on the basis of *cost of production plus a reasonable margin of profit,* as is done in other civilised countries, and not fix them haphazardly as is being done at present by reducing the prices when production happens to be good, and by increasing them, when production is low. This haphazard fixation is not the way in which a planned economy should work.

Secondly, the Indian Government like Australian Government should create an internal and permanent market for Indian sugar, by encouraging industries like the fruit preservation industry, the confectionaries and other industries which are dependent on sugar. This will be in the interests of the country as a whole, as also in the interests of the development of all industries, including the sugar industry.

Thirdly, the Government should subsidise the export of sugar if necessary, to get rid of the surplus sugar, and they can utilise the additional levy for the purpose of this subsidy. But for God's sake, do not strangle the cultivator and take advantage of his helplessness.

Fourthly, if the cost of sugar has got to be reduced, let all the parties—the Government, the sugar mills, the growers—contribute their due shares and not make the cultivator the only beast of burden to carry all the load, because such a course will only drive him to desperation and force him to fight on lines which will not be desirable for this country.

Shri S. S. More: I rise to oppose the present measure with my feeble voice in the interest of the cultivator primarily and the consumers secondarily. The first question that I should like to raise is: on what data the sugarcane price has been reduced by the present Government? Rs. 1-12 was the per maund price given sometime back and now the Government have chosen to reduce the price to Rs. 1-5. Mr. Tyagi, in reply to some of the questions put to him, said that formerly the cost of production of sugarcane was higher and therefore, at that level Rs. 1-12 per manud was fixed as the price to be paid to the sugarcane growers, but he believed that now the cost of production of sugarcane had gone down and therefore it could be convenient for the cultivator to sell his sugarcane crop even at a price of Rs. 1-5 with a margin of profit for himself. I should like to ask Government to come out with the data in their possession for

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basing this conclusion. The Finance Minister, when he intervened in the debate on Food in reply to my specific question, whether he possessed any cost of production data with him was frank enough to admit that unfortunately in India the cost of production of agricultural produce could not be available, and he cited the instance of the cotton crop where they attempted to assess the cost of production but came to grief. Now, Mr. Tyagi and possibly, Mr. Kidwai may urge that as far as the sugarcane crop is concerned, they have the necessary data. Why do you not place that data before the country at large? Have you taken into consideration the interests of the different categories of peasants, the rich peasants who can afford to cultivate sugarcane over hundreds of acres and the small peasants who cultivate only two acres or three acres. I will not be doing any violence to the economics of either Mr. Tyagi or Mr. Kidwai if I say that the smaller the peasant, the leaner the purse, the higher the cost of production that he has to incur because he has no ready cash. He has to purchase many things on credit. He has to go to the big market place where he has to pay more. Naturally if the peasant is small, the cost of production goes on mounting up to his own disadvantage and he is eventually at the mercy of the big growers and he is finally squeezed out because some neighbour who happens to be a big peasant eventually purchases his land. So I should like, in view of the frank admission, I may say, candid admission by Shri C.D. Deshmukh—because it is not the practice of Ministers of our Government to make such admissions—possibly my friend, Mr. T. T. Krishnamachari may say that "we happen to be in power and when we say that the cultivator is deriving a profit, you must accept it" and of course I will have to accept it............

Shri T. T. Krishnamachari: Sir, I have no objection to my hon. friend quoting me, but when he is misquoting me I must enter a caveat.

Mr. Speaker: Let us not bring in these things now.

Shri S. S. More: My friend is very anxious that we should not misquote. What has happened during the last two days? Mr. Deshmukh was quoting one set of figures. Mr. Kidwai said those figures were not so exactly correct as they ought to be and he had been misled into some errors. Then Mr. Gadgil quoted some Government of India figures and some figures which were specially the pidgin of Mr. Kidwai and said: "These are Rafi's figures." Now, misquoting appears to be the fashion of those who happen to be in power. *(Interruption)* When Mr. Tulsidas Kilachand was interrupted by Mr. T. T. Krishnamachari, he said that though Mr. Krishnamachari happened to be the protector of the private owner in industry, he was making certain statements without knowing the facts. I quite accept that conclusion of one of the supporters of Mr. Krishnamachari, speaking without knowing facts, and is not a strange instance. Some of our Ministers have open minds and some may have blank minds and for them data does not matter much. So I should like to ask Mr. Tyagi why he is going to reduce it—the price of sugarcane—still further when even the price of Rs. 1-12 was not a sufficiently remunerative price, particularly to the small grower. That is my contention.

Now, as far as official documents and Government notifications are concerned, the peasant is supposed to get the maximum price of Rs. 1-12. I will give you a practical instance of how the peasant is suffering. The small peasant who grows the sugar cane takes it to the factory door. The cost of transport is not taken into consideration. Not only that. Supposing the crop is taken to the door of the factory owner on Monday: the content of water in the crop is higher, and therefore, the factory owner will not purchase it immediately it is carted to the factory door but will allow the man to 'rot' there for two days. He has to meet expenses for maintaining himself and possibly the bullocks. The result is that during the two days the water content of the cane goes down along with the weight and the actual money that the peasant will get for his crop will be less. Not only that. In weighing the crop—my friend if he pays a visit to some of these factories, possibly putting on a turban like a peasant, will find—the factory managers are not prepared to give him proper weight. If the peasant starts complaining, then they say: "You take back your crop. We do not require it". That poor fellow has taken the crop over a distance of about five or ten or fifteen miles and suddenly he is told after waiting for two days: "Take back the crop if you are in a complaining mood."

There are thousand and one ways of robbing the peasant. Now, I can understand that our industries are infant industries, they are in a sort of convalescent state and some special nourishing soup has to be given to them. But the cultivator should not be made the chicken to provide this soup to the growing industry. That is extremely unfair Mr. Kidwai said that they have entered into certain agreements with the factory owners. We have agreed to purchase a certain quota at a particular price—Rs. 29-1 per maund. If Mr. Kidwai is so particular as to observe the terms of the contract.........

Shri Kidwai: Because he is a man of honour.

Shri S. S. More: I am very happy to hear that he looks upon the fulfilment of the contract as a matter of his honour. Then what happens to the innumerable promises that the Congress gave to the peasants and the consumers? I would refer to the agrarian programme which was framed by the Lucknow Congress in 1936. They had given a solemn assurance that (*Interruption*). I cannot catch your muttering.

Mr. Speaker: Order, order. Let him not address that way. Let us not go into long side-discussions. Let us come to the Bill before the House. What is the good of referring to old promises and breaches of promises? That is why I am appealing to Members not to intervene. That prolongs the discussion.

Shri S. S. More: I accept your direction, Sir. But, I was tempted to refer to the promises given to the cultivator because Mr. Kidwai............

Mr. Speaker: He should be free from that temptation. He should come to the Bill before us.

Shri S. S. More: My submission, Sir, is that the agreement which Mr. Kidwai or the Government of India entered into with the factory owners is an unfair agreement. They—the factory owners—have not abided by the terms of the agreement. What was the fundamental term of the agreement? A certain price was fixed and the factory owner was under an obligation to sell the sugar at that particular rate. Did he fulfil that promise? No. They have grossly violated that stipulation. I may be allowed to give some figures here. In 1938-39, the price of sugar per maund was Rs. 8-15. Then war intervened and prices went up. But before the Congress came into power, at least before 15th August 1947, the price of sugar was Rs. 20-14. Then after our coming into power we made a present to the factory owners by raising the prices to Rs. 35-7-0. Then in 1948-49, it was again reduced to Rs. 28.

Shri Gadgil: The agriculturists also got higher rates.

Shri S. S. More: In 1949-50, it was Rs. 28-1-6, in 1950-51, it was Rs. 29-1-6, in 1951-52, Rs. 29-12. That was the price at which the factory owner was under a solemn obligation, a contractual obligation to sell his stuff. But did he do that? In the price structure of sugar, it has been shown that he only recovers a profit of three per cent. But the figures do not tell the whole story. On the contrary the factory owners exploited the market and sold their stuff at black-market rates. My hon. friend, Mr. Lal Singh has said—and he knows much better—he has definitely said that in certain cases sugar was sold at the rate of Rs. 60 or Rs. 70 per maund. I can tell you from my own experience that in 1949 or before that we could purchase even at the ration shop sugar at the rate of -/8/- per seer but, somehow, during the last two or three years it was being sold at the rate of Rs. 1-14 or even rupees two and in the case of rich persons who were out to have sugar at any cost, they used to purchase it at Rs. 2-4-0 per seer for the purpose of preparing *rasgulla* and other sweets.

So, I say that statement prepared by Government of price structure may show a profit of three per cent—that is on the fixed control price of Rs. 29-12-0 as at present the profit comes to rupee one. But if sugar which is controlled at the rate of Rs. 29-12-0 was regularly sold in markets for Rs. 60 and Rs. 70 per maund—my arithmetic is very weak—I leave it to Mr. Tyagi to calculate the percentage of profit at this rate. If the factory owners have contravened one of the fundamental terms of the contract, then that sort of contract cannot be adhered to by the Government. But, unfortunately, I am constrained to make a statement that the more we study the actions of this Government, the more we study their doings, the more we are led to believe that they are espousing the interests of the vested interests. In their picture, the main place is occupied by the factory owner or the sugar mill owner and the consumer and the cultivator find a very small place. If the Government wants to serve any interests, then firstly it is that of the vested interests.

My submission with regard to the reduction of price of sugarcane is that Government should not hastily come to any conclusion in view of the particular statement which Mr. C. D.

[Shri S. S. More]

Deshmukh was pleased to make. They should convince the cultivator that this is the cost of production, they must record evidence, they must collect data as far as it is possible and on the basis of that they should say, "Well, this is the cost of production, this is the reasonable profit that we can allow you" and then proceed to reduce the price. There is another simultaneous obligation on the Government. They must also scrutinise very closely the cost of production figures submitted by the factory owners to Government. If they want to guarantee prices to the sugar factory owners, they must also insist that the cost of production must come down. In the draft Planning Report it has been stated that when Government is out to give protection to some of the growing industries so as to make them stand on their legs in competition with other foreign stuff, there are some fundamental obligations which those particular industries seeking protection have to fulfil. I submit that as far as the sugar industry is concerned, it has not fulfilled all the obligations they were bound to fulfil not only in their own interests but in the larger interests of the country. I emphatically say before I sit down that Government have to reconcile the interest of sugar factory owners, they have to reconcile the interests of the growers, they have also to reconcile the interests of consumers, and they have also to take into consideration the interests of the factory labour. It is their duty that they should see all this like an impartial judge, like a parent, like a father or mother who is trying to strike a balance and reconcile the conflicting interests of the different children who are crying for sweets. I do not want to hit the factory owner, because I know he has done something to make this country self-sufficient in the production of sugar. But the cultivator has done much more; he has produced more and therefore we are in a happy position. I will give you some figures from Bombay. So far as production of sugar is concerned, other Provinces may lead, U. P. may lead, Bihar may lead, but so far as the yield of sugarcane per acre is concerned, I have the proud privilege to say that Bombay leads by lengths. I will give the latest figures of 1951-52. Bihar's yield per acre is 1392 pounds, Bombay is 6480, Madras 6140, Punjab 1941 and Uttar Pradesh 2452.

Shri Syamnandan Sahaya: Where are these figures from?

Shri S. S. More: These figures are from the *Indian Sugar Statistics* published by the Economic and Statistical Adviser to the Ministry of Agriculture, December, 1951.

Shri Syamnandan Sahaya: You are taking these figures.........

Mr. Speaker: Order, order. Let him not talk to the hon. Member.

Shri S. S. More: I submit that the policy which has been followed, both by the Central Government and the Provincial Governments, is not doing any good to the cultivator whose life is growing more and more miserable and the production rate is going down. I will give you only one figure. In 1947-48, the per acre yield in Bombay State was 7360 but now due to the discouraging and disheartening policy which is being consistently adopted by Government, the yield has gone down to 6480 and there is a decline of about 900 pounds per acre. It is a great loss, not because the peasant has given up his skin and desire or his vigour for cultivating a larger acreage and producing as much as he can, but because the conditions of production have become more onerous. Irrigation taxes are being multiplied. The peasant has not got a square deal. The cess is there. There are so many other charges levied. Although in the initial stage a tax may be said to be levied on X, X passes it on to Y, and Y shifts it to Z and finally it comes upon the cultivator. It is he who has to bear the whole burden. The result is that Bombay cannot get now what it used to get in 1947-48. The yield of sugarcane has gone down and that is a great loss. The cost of production per acre has gone up due to the addition to the irrigation charges etc, but in the terms of the yield the cost has still further gone up due to the depletion in the production, and yet the Government, without producing any data, say in an arbitrary manner, "The sugarcane prices have gone down. The cost of production has gone down. Therefore, now the peasant will get only Rs. 1-5-0 in the place of Rs. 1-12-0 formerly". I raise my voice very strongly against this, in the interests not of the cultivator who owns 300 or 400 or 500 acres but of the small cultivator who owns three or four or twenty acres. If we do not protect the small cultivators, they will sell their lands, because the economic factors are operating against them. The cost of production is higher than the return they get. The result of their selling the lands will be that the lands will go to somebody who has a big pocket and there may be no increased production. For all these reasons, I request the Government not to hasten the passing of this measure. Let them supply us all the reliable data they have and then if we are convinced on the basis of those data that there is justification for this measure, then we can pursue it.

Shri Kidwai: I have listened with interest to my hon. friend Sardar Lal Singh. We had the occasion of hearing him only two days ago when the food situation was being discussed. At that time, he advanced a theory that the prices would adjust themselves on the basis of supply and demand. Will he accept it if I offer him this, that I shall withdraw the price fixation for cane and allow the prices to be adjusted by the law of supply and demand? I hope Sardar Saheb knows how the fixing of minimum price for cane came about. It started in U.P. when many of us who were political workers found that the millowners were not playing fair with the cane growers. The cane grower would take his cane to the gate, and the millowner would say that it was not wanted, and the grower had to throw it away at two annas a maund or so. Then we started an agitation and the Ikh Sangh was formed. Then the price fixation came.

If Sardar Saheb would look into the prices and the production, he will find that the area under cultivation does not increase or decrease because a certain price has been fixed, but it is affected only because of the price of other crops and how those prices compare with cane prices. I find from the chart before me that when the price was increased, the area actually decreased. Sardar Saheb has complained of sharp decline in this year's prices. I hope he remembers that a few years ago both the cane growers and the millowners combined together and said that the cane prices should be increased. They approached the Government of India with a joint demand that cane prices should be fixed at rupees two a maund. Everybody thought that this would not improve the condition of the sugar industry because the price at which sugar would be available could not be availed of by the poor consumers in this country. Still, Sardar Saheb and my hon. friend Mr. Tulsidas agreed on a certain price and Government fixed it. What was the result? Next year, the cultivation did not increase. It actually went down. In 1946-47 the price was Rs. 1-4-0. In 1947-48 it rose to rupees two and next year the production decreased from 10·75 lakh tons to 10.6 lakh tons. Therefore, the price of cane does not affect so much as the comparison between the other crop prices and the cane prices. I think Sardar Saheb knows that in 1947-48 the wheat prices in the Punjab and U.P. were between Rs. 25 and Rs. 30 and therefore even rupees two was not sufficient inducement for the raising of the cane crop area. Therefore, next year the price was brought down again from rupees two to Rs. 1-10-0 and for two years, it continued at Rs. 1-10-0 and the area increased from 10·6 lakh acres to 11·16 lakh acres. Therefore, it is not the price that matters.

[Mr. Deputy-Speaker *in the Chair*]

Now, Sardar Saheb knows that in 1946-47 the cane price was Rs. 1-4-0 and the wheat price was almost Rs. 22 or 20 and still people preferred to grow cane. The situation with which we are faced this year is harmful more to the grower of cane and to the millowners than to others, because the prices of wheat and rice have been falling in the course of the last three years. The political pressure of the cane grower was always for the increase of price and the price was increased from Rs. 1-10-0 to Rs. 1-12-0. What was the result? The acreage under cane which the Planning Commission contemplates would be reached in 1955-56 was exceeded this year, and the result is what we have seen: cane had to be burnt. The Governments of Bihar and U.P. had to persuade the millowners, "Please let your mill continue to work, so that the extra cane may be crushed". That is why all this trouble arose. Some friends complain that the cane growers have not been paid. Now, there is a capacity for each mill to pay, and that capacity has been exceeded. They have still a large stock of sugar. If that stock is not cleared, and if the millowners do not get cash, they will not be able to finance the crushing in the next year and what would happen? All that area that is now under cane cultivation this year will grow cane that will not be crushed and there will be a fall in the price.

I agree with Mr. Gopala Rao that it is not a matter of satisfaction that 15 lakh tons of sugar could not be consumed by this huge population. The *per capita* production is not more than six pounds and yet this population could not consume our total production. What is the reason? It is the poverty of the people. Therefore, if you want to purchase anything, it must be available at a price at which the people can make use of it.

4 P.M.

Sardar Sahib also talked about Australia. While he disclosed some facts, he withheld others. Sardar Sahib should have been aware of the fact that in Australia they adopted a measure which we are beginning to

[Shri Kidwai]

do today. They were selling sugar for internal consumption at rupees ten a maund and were supplying India sugar at rupees four a maund. That is how they stabilised their industry. I think we have to do something on those lines. This is the beginning of that. Now I do not want to tax the poor consumer too much. Therefore, a very small beginning has been made.

Pandit K. C. Sharma (Meerut Distt. —South): Is a cut of 25 per cent. a small one?

Shri Kidwai: It is not 25 per cent. The price we are offering today is more than the prices which prevailed in 1948. Then both the mill-owners and the cane growers complained and demanded a price which was reasonable and the Government of that day accepted it. The result was disastrous and more cane was grown. Price of *gur* collapsed. The hon. Member who is coming from Meerut should be aware of the fact that in the villages there *gur* was being sold at Rs. 4-8-0 per maund. That is not a reasonable price. Therefore, we should avoid that situation. We should see that only that quantity of cane is grown which can be crushed into sugar or converted into *gur*. That is why the industry is now being rationalised.

I am sorry that so much of vehemence should have been exhibited on a measure like this. Now the industry or the Government today possess five lakh tons of sugar. Government has issued instructions that the new sugar shall not be brought into the market till this stock has been disposed of. It will take months and months. But what will the factories do in the meanwhile? There will be a sudden fall in prices. Whatever loss the Government suffers, is recovered from the consumer who gets the concession today from the next year's crop. That is a very simple proposition and does not require so much of vehemence.

Another hon. Member said that the price should have gone down by rupees seven or so, while it has been reduced only by rupees four or two. That is true. But those prices are for the new cane sugar. When the sugar crushed from the sugarcane purchased at Rs. 1-5 per maund comes to the market, then the prices will go down. Prices are bound to go down even lower than people expect. There will be competition. The mill-owners have not been given any assurance about prices. Government will not allow them to export a quantity which will enhance the prices here. Therefore, there will be competition, prices will be lower and the mill-owners will have to give up a portion of the profit which they are making out of this industry. But for the present what we propose to do is this. We have got a stock of five lakh tons. We want to sell it in the market.

Sardar Lal Singh: On a matter of personal explanation, Sir. I am afraid my statement is being misrepresented. The hon. the Food Minister said that the price of wheat in Punjab was Rs. 22 or 30. I may mention that control price in the Punjab was never more than Rs. 13 or so per maund. The cultivators because of monopoly procurement were never able to get more than the Control price or at the most Rs. 14 or 15. So that the question of Rs. 30 does not arise.

Shri Kidwai: I shall reply to that.

Sardar Sahib said that there was a wonderful monopoly procurement scheme in the Punjab; that is anybody who had wheat to sell should sell it to Government and Government had fixed a price of Rs. 10-8 per maund. That was the price fixed by the Punjab Government in 1947-48 or 1946-47. He thought that people who had wheat to sell, were selling it to the Punjab Government. Now what was the sale? We will see how ridiculous the scheme was. The Punjab Government's procurement in 1946-47 was 96,000 tons. In 1947-48 it was 46,000 tons. Is that the surplus which Punjab is capable of supplying? Then prices began to fall. In 1949-50 and 1951 prices in the open market were Rs. 12 and odd. Government procurement price was rupees 13. Therefore Government procurement went up to more than two and a half lakh tons. We know that blackmarket was prevailing in Punjab as well as in Poona. It is everywhere.

Sardar Lal Singh: But it was due to good weather conditions besides refugee cultivators settling down. If you please see the average yield per acre during the two seasons, that will explain the position to a considerable extent. I myself know as Director of Agriculture, Punjab, that in the case of certain areas which we had reclaimed the yield varied greatly from year to year. So that climatic conditions had something to do with variation in yields and procurement.

Shri Kidwai: As I said before, when wheat prices went up sugarcane cultivation in Uttar Pradesh and the Punjab went down. When the wheat prices went down the cane cultivation went up. I have given the

House the figure of each year. Although the prices were raised from Rs. 1-4 to rupees two the area under cane actually went down. Therefore the prices we have fixed are still higher than the wheat prices today. Everybody wants that the consumer should get the advantage of this fall. Why should it go only to producers or only to mill-owners? The mill-owner is not being guaranteed any price this year as the production is bound to be more. We have got a stock of five lakh tons and even if production next year is only ten or 12 lakh tons—although looking to the acreage under crop, it should not be less than 14 lakh tons—we will have slightly more than our requirements and prices will remain low. I think we should make arrangements to subsidise exports as every country is doing. We are considering that, but we would like to retain the sugar prices low so that the consumer can get the advantage of it.

Shri S. S. More: What about sugarcane prices? As a matter of fact, the hon. Minister has avoided it?

Shri Kidwai: All that I spoke was on sugarcane prices. I have not avoided it. I said they are comparable with the prices of other crops.

Sardar Lal Singh *rose*—

Mr. Deputy-Speaker: Order, order. The hon. Member cannot make speeches. For the sake of elucidation he may put a question or two. But he cannot develop it into a discussion.

Sardar Lal Singh: I want to offer a personal explanation.

Mr. Deputy-Speaker: There is no question of personal explanation. Enough has been said on this subject. There was no time-limit and the hon. Member was afforded ample time. If he could not make his point quite clear, what is the point in offering personal explanations. I am not going to allow him any more opportunity.

Shri Syamnandan Sahaya: Is the hon. Minister fixing any ceiling price for the new crop—season 1952-53?

Shri Kidwai: For sugar? No ceiling prices. This year we have fixed the minimum price for cane, but it is open to the cane grower to convert his cane into *gur* or sell it to the mills, if he gets a better price. In that case the mills will have to pay a higher price to obtain cane. That facility which was deprived to the cane grower is there. He can manufacture *gur* and can sell it. The movement of *gur* is unrestricted; export also is open. Therefore, the prices which are quoted in Hapur now are very favourable for *gur* and factory owners, if they want to run their factories, will have to pay a little higher prices than we have fixed.

Shri Syamnandan Sahaya: There will be no allotment of sugar as has been done in the past?

Shri Kidwai: That I do not know—what the States are doing.

Shri H. N. Mukerjee (Calcutta North-East): I intervene in this debate at a late stage because it is necessary to focus the attention of the House, if I can, on the lackadaisical manner in which Government is tackling the problem of the sugar industry. The country has a very vital stake in this particular industry, and, besides, the history of this industry has been one of unabashed racketeering of such sort that when Government comes forward with such a proposition which is trying to put this industry on its feet, then this House should certainly have as much opportunity as possible for hearing the views of different sides in this House.

I refer to the rather unsavoury history of the sugar industry, because I consider that that is linked up with the inability of the Government to plan properly as far as the development of this industry is concerned. And the measure before this House is of such a description that it is not going to assist either the consumer or the sugarcane grower or even in the efficient development of the industry itself, and that is why I say that I am opposed to the measure which has been introduced before this House.

We all know that the sugar industry is perhaps the second most important industry as far as Indian capitalist investment is concerned. But we find that the sugar barons have taken advantage of the country's government and its policy in such fashion that they have to be brought to book and called to order, and if any special advantages are going to be offered to them we must be absolutely sure that they are really and truly called for.

I am not going into the history of the sugar industry and the very undesirable incidents which happened regarding the Sugar Syndicate which had been started in U. P. and Bihar, but that is the ugly background to what we are discussing today. I remember how in 1949-50 there was an uproar in the country and I am told by some of my friends who were Members of this House earlier—I heard from Shrimati Sucheta Kripalani for example—that in this House

[Shri H. N. Mukerjee]

certain letters were shown, written by one hon. Member of the U. P. Ministry, which showed how between the sugar barons of U.P. and the leading political party of that Province there was a very definite liaison. Now, that sort of thing has gone on for far too long, and we should try to examine the sugar industry, put it on trial so to speak, and give it whatever protection we are going to give after ascertaining the facts of the situation.

This industry has been given tariff protection as early as 1932. But it behaved in such a fashion, particularly during the war years, that black-marketing gave it an advantage of piling money in a most disastrous fashion. It behaved in such a fashion that the Tariff Board had to recommend withdrawal of protection in 1950. The Tariff Board said that protection had produced an attitude of complacency in three parties, namely, the Government, the industry and the cultivator. The Tariff Board very impartially arraigned all these different parties as far as the responsibility for the lack of development of the sugar industry was concerned. Now, the Governments, both State and Central, have not paid proper attention to the development of sugarcane cultivation, the provision of manure, irrigation facilities and that sort of thing; Government has not assisted the cultivator by providing roads, drainage etc. in the cane producing areas; and this is one of the primary reasons why the sucrose content of sugarcane in our country is so poor; and that is why we find that in spite of all the protection in the world the sugar industry in this country produces sugar at such a rate that it is possibly the highest among all the sugar producing countries of the world. But those who were in charge of the sugar industry, Government as well as the industrialists, have been behaving with an utter lack of responsibility. I am quoting the words of Mr. Desraj Narang, President of the Sugar Technologists' Association of India. He said last year, "We have drifted for the last eighteen years, and we can afford to drift no more".

Now, the sugar industry has got to consider all the implications which have arisen today. Why is it that the sugar content of the cane which we get is so low, and why do we not do something about it? Why are the stocks in the sugar mills of such a sort that there is a terrific wastage of such items as sulphur? Sulphur is acutely in short supply and is supplied from the dollar area.

Mr. Deputy-Speaker: Are we embarking upon the general question of protection for the sugar industry? There is no more protection. Protection has been withdrawn. This is a cess. The only point at issue is in view of the fall in prices, are we to wait till the next year or slow down from now, starting the reduction in the price? That is what is intended. The method adopted is the imposition of a cess. Whether it is in the interest of the public or the consumer or not, whether it is desirable to place the burden on the taxpayer or whether Government must itself pay the whole thing because it has entered into an agreement—that is the simple point. I think many things can be said as to how the industry must be put up, how it can be made self-sufficient and so on. But I am afraid all that does not arise here.

Shri H. N. Mukerjee: Sir, this is an occasion which we have got to express our views in regard to the future of the sugar industry.

Mr. Deputy-Speaker: If it is of such importance I think hon. Members must ask for some time to discuss it.

Shri Kidwai: I am prepared to have private meetings with the hon. Members......

Mr. Deputy-Speaker: If they are not satisfied with a private discussion, certainly they can move a resolution that a Committee be appointed, or ask Government to allot a day for discussing this matter. The House is sovereign in that respect. But I do not think it is right for me to allow, merely because sugar is there, all things regarding sugar, peppermints etc.

Shri H. N. Mukerjee: Sir, I do not propose to go into the details of the matter. If we are going to examine the implications of what is now suggested before the House.........

Mr. Deputy-Speaker: The hon. Member is a barrister.

Shri H. N. Mukerjee: For instance I want to draw the attention of this House to a report which appeared in the *Statesman*. The Staff Reporter of the *Statesman* reported on the 13th July of this year that a Committee had been appointed by Government under the chairmanship of Mr. Gopalakrishnan, Joint Secretary, Food Department, to study means of stimulating exports of sugar. And this Committee is stated to have recommended that the export price of the commodity should be subsidised by the Indian consumer. Actually in a country where the *per capita* consumption of sugar and *gur* is so limited, this is the kind of thing which is happening! And this is the proposition which Government is making before us!

If Government is going to assist the industry here and now, then Government should give a sort of assurance to this House that Government is going to look after the future of this industry, that this industry is not going to be permitted to carry on in the way it has done so far. The history of this industry in recent years is perhaps one of the most unsavoury on record as far as our economic life in India is concerned. Therefore Government I hope will proceed to appoint a statutory body in which there is representation for the industrialists—I am sure they would rush in!—there must be representation for the sugarcane growers and for other interests concerned; and that statutory body ought properly to plan the production of sugar, its distribution, its possibilities of export to foreign countries. If that is not done, then this kind of haphazard measure, this kind of illustration of the completely lackadaisical manner in which Government proceeds is something which this country will not tolerate.

Shri Damodara Menon (Kozhikode): I am opposed to this imposition of cess on sugar. It has been pointed out by many Members that the Government are not looking after the interests of the cultivators. I am looking at this problem mainly from the standpoint of the consumer. The Minister himself told us that in his view the interests of the consumers must be protected. In my view Government are not likely to protect the interests of the consumer by imposing this cess. As a matter of fact, the price of sugar in this country is very high now compared to the price of sugar in the rest of the world. We cannot agree that by the imposition of this cess, we are protecting the interests of the consumer. My point is the sugar industry for the last so many years has been getting so much protection that it has been fattened. I am not now going into the question of protection. We protected the industry with a view that this country must be self-sufficient in the matter of sugar and we have now attained self-sufficiency. More than that we have enough for export. At a stage like this it is unthinkable that the consumer will have to pay more than the prevailing market rate. This industry in 1950-51 got nearly rupees four crores profit because an increase of one rupee in price per maund was allowed to it in the carry-over stock of the previous year. I am told that in 1948-49 the industry pocketed Rs. 50 lakhs by a surcharge of four annas per maund. It has been pointed out here that as a result of the concession made recently, the sugar industry was able to sell in the open market a lot of sugar at an exhorbitant rate. My hon. friend who spoke on behalf of the Communist Party in the afternoon pointed out to us the huge profit some of the sugar manufacturers were making. Are we going to allow this kind of profit to continue? We were speaking of the price of sugarcane. It was fixed in 1951-52 at Rs. 1-12-0 but as a matter of fact we know that the sugar industrialists were able to get sugarcane even at the rate of 14 annas per maund from the needy cultivators. It was almost a case of distress sale. All these things show that the sugar industry has been able to make huge profits and it is they who must be made to pay now and not the consumer. Government, whenever it concerns the industrialists, are adopting a soft policy. I must say they are sweeter to the sugar industrialists than the sugar those people produce. That policy should, I think, be discontinued.

Now about export. It has been suggested by the Food Minister that they are thinking in terms of subsidising export. Last April about 50,000 tons of sugar were allowed to be exported and the result was we were able to sell in the foreign market only a third of the quantity because the price in the foreign market was very low. A prominent sugar industrialist, Mr. Shri Ram has written in an article in the *Eastern Economist* about some kind of export and subsidy. What does the subsidy mean? It means that the consumer in this country will have to pay more for the cheap export of our sugar and that means you are helping the consumer outside at the cost of the poor consumer here. This country is a poor country and it would be cruel if you are going to deny sugar to our children and people. This kind of policy should not be undertaken by the Government of a poor country. Therefore, I am opposed to this cess both in the interests of the economy of this country as also in the interests of the consumer.

One more point. My friend Mr. Tulsi Das has been advocating the keeping of a buffer-stock. I do not think that proposition is acceptable. There is no justification for us to keep a buffer-stock at a time when we are sure that we can get sugar, if

[Shri Damodara Menon]

necessary, from foreign countries at a very cheap rate. Therefore, it must be left to the industrial concerns to shoulder the burden and they are in a position to do that and sugar must be supplied to the poor consumer in this country at competitive rates and that is the policy we should follow now. I hope, therefore, the Government will not pursue this measure of imposing a cess on sugar.

Shri Tyagi: I am grateful to the House for the useful suggestions.

Several Hon. Members *rose*—

Mr. Deputy-Speaker: We will allow some time.

Shri Tyagi: We could finish. There are no amendments. My anxiety was to finish this today.

Mr. Deputy-Speaker: We will finish by five anyhow.

Shri Tyagi: This is a small Bill. Tomorrow there are other important measures to be discussed. I was told that the Bill was to be finished today. Anyway I will agree to your wishes.

Mr. Deputy-Speaker: What I think is we shall finish it today. I will give five minutes to every hon. Member. It is a small issue. Hon. Members should only confine themselves to the matter on hand. One view is that the consumer should not have the benefit for a short time. The other view is that Government must be saved. Let hon. Members confine themselves to these points. I will call upon the hon. Minister ten minutes before five. He can continue for five minutes after five and the House can rise at 5-5 or 5-10.

श्री एस० सी० सिंघल (ज़िला अलीगढ़): उपाध्यक्ष महोदय, मुझे सन्तोष है कि आप न मुझे समय दिया। हालांकि सिर्फ़ पांच मिनट दिये हैं। बहुत से वक्ता बोल चुके हैं। श्री लाल सिंह जी बोले ईख वाले किसानों के पक्ष में, हमारे किला चन्द जी बोले चीनी के कारखानों के मालिकों के पक्ष में। लेकिन खास तौर से कन्ज़्यूमर्स (consumers) के बारे में किसी ने कुछ नहीं कहा। इसलिये मैं कनज़्यूमर्स के हित को ख्याल में रखते हुए बोलूंगा। सन् १९४९ की इंडियन टैरिफ़ बोर्ड की रिपोर्ट में दिया हुआ है:

> "The ex-duty landed cost of imported sugar is at present Rs. 16-12-9 per maund. The Bombay Sugar Merchants' Association considers it probable that this price may go down by about 40 per cent. in the near future.
>
> The minimum price fixed for sugarcane was Rs. two per maund and for sugar Rs. 35-7-0 per maund from December, 1948."

जब १६ रु० १२ आ० ९ पा० पर शकर कलकत्ता और बम्बई के पोर्ट पर आ सकती थी उन दिनों में यहां पर चीनी का दाम ३५ रु० ७ आ० मन थे। अगर विदेशी चीनी की कीमत में २ रु० १२ आ० मन एक्साइज ड्यूटी (excise duty) जो सरकार लेती है, और जो १ रु० १४ आ० मन सेस (cess) लगाया जाता है उसे जोड़ लिया जाय तो चीनी की कीमत २१ रु० १० आ० ९ पा० फ़ी मन होती थी जब कि ३५ रु० ७ आ० मन देशी चीनी के दाम थे। इस तरह से देखा जाय तो क़रीब क़रीब १४ रु० फ़ी मन कन्ज़्यूमर्स को घाटा पड़ता था। अगर चीनी की खपत इस देश में साढ़े ग्यारह लाख टन भी रखी जाय तो क़रीब क़रीब ४५ करोड़ का घाटा कन्ज़्यूमर्स को हर साल होता है। सन् १९३२ से यह प्रोटेक्शन (protection) लगा है और सन् १९५० तक यह प्रोटेक्शन कायम रहा है। लेकिन प्रोटेक्शन के हट जाने के बाद भी सरकार बाहर से चीनी लाने की इजाज़त नहीं देती है, क्योंकि उन का कहना है कि एक्सचेन्ज (exchange) की कमी है। मैं समझता हूं इस तरह से तो अब भी वह प्रोटेक्शन एक क़िस्म से लागू है। इस तरह से अगर ४५ करोड़ रूपये का घाटा हर साल सरकार जनता को दे रही है तो २० साल के अन्दर वह घाटा क़रीब क़रीब ८०० करोड़ रुपये का हो गया। जनता का पैसा खा कर १३३ मिलें हिन्दुस्तान में काम कर रही हैं। इन मिलों को क़ायम रखना सरकार की कितनी बड़ी बेईमानी है।

तो मुझे तो यह कहना है कि सरकार को खास तौर पर कन्ज़्यूमर्स का हित देखना चाहिये। कन्ज़्यूमर्स का ४०, ५० करोड़ रुपया साल बेकार जा रहा है। अब एक रुपया मन ड्यूटी और बढ़ जाने से उस को और भी घाटा होगा। मेरी श्री त्यागी जी से प्रार्थना है कि उन्होंने हमारे मिल वालों को बहुत फ़ायदा अब तक पहुंचाया और बाक़ी सब लोगों को काफ़ी घाटा हुआ है, अब हमें उस घाटे को पूरा करना है। लेकिन गन्ने की कीमत भी आप एक रुपये १२ आने मन से १ रुपये ५ आने मन ले आये। क्या उन के घाटे को भी पूरा करने की आप ने कोशिश की? उन्होंने उम्मीद कर के कि हम को कीमत १ रुपये १२ आने मिलेगी, गन्ना बो दिया, चीज़ बो दी गई, अब आप ने उस की क़ीमत १ रुपये ५ आने कर दी। इस तरह गन्ना बोने वाले को जो घाटा है, उस की भी आपने कोई फ़िक्र की?

एक साहब ने कहा कि मिल वालों को कोई फ़ायदा नहीं हुआ है। लेकिन मैं टैरिफ़ बोर्ड (Tariff Board) की रिपोर्ट स बताना चाहता हूं कि उन को कितना फ़ायदा हुआ है। सन् १९४८ में जब चीनी का कंट्रोल हट गया था तो उस वक्त उस का रेट २० रुपये मन का था। लेकिन मिलों ने झगड़ा किया और कहा कि रेट बढ़ाया जाय। तो सरकार ने एक कमेटी बिठाई। उस शुगर कमीशन ने गन्ने की क़ीमत जो १ रु० ४ आने मन था वह कीमत रख कर उस ने चीनी की क़ीमत रखी २३ रुपये ४ आने ९ पाई फ़ी मन। उस में उन्होंने मिल वालों के लिये फ़ायदा भी रखा था। वह था प्राफ़िट आफ़ १० पर सैंट ओन ब्लाक कैपिटल (Profit of 10 per cent. on block capital)। लेकिन मिल वालों को इस से सन्तोष नहीं हुआ। उन लोगों ने किसानों से कुछ सलाह की और चीनी की क़ीमत बढ़वाने का एक तरीक़ा निकाला और ईख की कीमत दो रुपये मन रखने को कहा और चीनी की क़ीमत इस तरह से बढ़वाई जिस का हिसाब टैरिफ़ बोर्ड ने अपनी रिपोर्ट में इस तरह दिया है:

Sugar price as accepted by the Sugar Commission, on the basis of R. C. Srivastava scale with cane price at Rs. 1-4-0 per maund.	Rs. 23-4-9
Compensation for the award dated 26th June 1947.	Rs. 0-3-0
Increase on account of the Nimbkar Committee's findings.	Rs. 0-8-0
Increased price for ten maunds of cane at Re. 0-12-0 per maund.	Rs. 7-8-0

१२ आने बढ़ा कर उस की क़ीमत बढ़ा दी।

Additional profit in excess of ten per cent. on block.	Rs. 2-0-0

पहले मिल वालों को १० फ़ी सदी का फ़ायदा रखा गया था अब इस के अलावा १० फ़ी सदी का फ़ायदा और बढ़ा दिया गया। इस तरह क़ीमत ३५ रुपये १ आना छः पाई मन आती है। लेकिन इस से भी सन्तोष नहीं हुआ और कीमत ३५ रु० ७ आने रखवाई The price adopted for the U.P. and Bihar was Rs. 35-7-0. इस तरह मिल वालों को २० फ़ी सदी से ऊंचा फ़ायदा दिया गया जिस से चीनी की क़ीमत २३ रुपये मन से बढ़ा कर ३५ रुपये ७ आने मन कर दी गई। इन लोगों के पास दो लाख मन बक़ाया भी था। उस दो लाख मन के सम्बन्ध में तय हुआ कि जितना फ़ायदा होगा उस में से आधा सरकार ले लेगी और आधा मिल वालों के लिये छोड़ दिया जायगा। इस तरह से मिल वालों ने नाजायज़ तौर से सरकार से फ़ायदा लिया। मुझे मंत्री महोदय से पूछना है कि कन्ज़्यूमर को इतना घाटा करा कर मिल वालों को

[श्री एस० सी० सिंघल]

इतना फ़ायदा क्यों कराया गया ? क्या आप इस तरह से इस इंडस्ट्री को बढ़ायेंगे ? मिनिस्टर साहब का कहना है कि हम प्राइस गारंटी कर चुके हैं । मैं मिनिस्टर साहब से पूछना चाहता हूं कि आपने प्राइस किस से पूछ कर गारंटी किया ? क्या आप ने इसी के लिये प्राइस गारंटी की ? क्या इसी चीज़ की देश में कमी थी ? क्या और किसी चीज़ की कमी नहीं थी ? क्या उन दिनों कपड़े की कमी नहीं थी ? क्या उन दिनों सीमेंट की कमी नहीं थी, लोहे की कमी नहीं थी ? क्या उन दिनों अन्न की कमी नहीं थी ? आपने उन की कीमत गारंटी क्यों नहीं की ? आप ने सिर्फ़ चीनी की ही प्राइस क्यों गारंटी की ? क्या आप ने उन के साथ कोई कान्ट्रैक्ट (contract) किया ? और कांट्रैक्ट किया तो क्या आप उस को मेज़ पर रखेंगे ताकि हम उस कांट्रैक्ट को देख सकें ? अगर कोई प्राइवेट डीलिंग (private dealing) की तो वह भी आप बता दीजिये कि कैसे और किस से बातें हुईं ?

श्री श्यामनन्दन सहाय : जी हां, खानगी में क्या बातें हुईं ?

श्री एस० सी० सिंघल : चीनी के बारे में टैरिफ़ बोर्ड ने दो उद्देशों की पूर्ति के लिये प्रोटेक्शन की सिफ़ारिश की। और अपनी सिफ़ारिशों में लिखा था :

> The aim of protection in this case was two-fold: first to encourage the development of sugar industry on modern lines and second to create favourable conditions for the cultivation of high yielding sugar cane.

इन दोनों में से एक भी मक़सद पूरा नहीं हुआ। और क्यों नहीं हुआ ? क्योंकि लोगों को इस में फ़ायदा अनाप-शनाप था । किसी ने एफ़ीसेन्सी बढ़ाने की कोशिश नहीं की ।

> The Tariff Board writes: The figure of recovery rose to above ten per cent. from 1942 to 1946......

सन् १९४२ से ले कर १९४६ तक रिकवरी (वसूली) १० फ़ी सदी बढ़ी,

> While in the next three years it declined to below ten per cent.

जब मुनाफ़ा ज्यादा बढ़ गया, सन् १९४६ के बाद तो जितनी रिकवरी बढ़ी थी उतनी ही घट गयी। तो इस तरह से मिल वालों की लापरवाही से और सरकार की ढील से रिकवरी घट गयी ।

गन्ने के बारे में मुझे कहना है कि उस में भी घाटा हुआ। १९४३-४४ में १५ टन फ़ी एकड़ की उपज थी। १९४४-४५ में यह उपज जाकर १३·८ टन फ़ी एकड़ रह गयी। १९४५-४६ में यह उपज १३·२ टन फ़ी एकड़ हो गयी और १९४६-४७ में गन्ने की उपज १४ टन फ़ी एकड़ रह गयी। आगे के फ़िगर्स मेरे पास नहीं हैं। इसलिये मेरी प्रार्थना यह है कि आप को सैस लगाना है तो आप लगायें। लेकिन वह आप किस पर लगायें ? मिल मालिकों ने जो अनाप-शनाप फ़ायदा किया है उस पर आप लगायें । सन् १९४८ में जब चीनी डीकन्ट्रोल (अपनियंत्रित) हो गयी थी तब कहा गया था कि चीनी हमारे देश में बहुत है । लेकिन फिर उस की एकाएक कमी हो गयी और इतनी कमी पड़ी कि देश में शुगर स्कैन्डल (चीनी घुटाला) हो गया । टैरिफ़ बोर्ड

ने उस सिलसिले में क्या बताया कि स्कैंडल कैसे हुआ और कितना मुनाफ़ा उन्होंने कमाया।

Mr. Deputy-Speaker: Dr. Ram Subhag Singh.

Dr. Ram Subhag Singh: Sir, one point has been left out.

श्री एस० सी० सिंघल : टैरिफ़ बोर्ड ने......

Mr. Deputy-Speaker: I have already called Dr. Ram Subhag Singh. Any hon. Member can go on endlessly. Will the hon. Member kindly resume his seat? There has been sufficient discussion. Anyhow, some hon. Members wanted to speak and therefore I wanted to allow five minutes to each so that they may place certain points, instead of referring in detail to all the arguments that have already been advanced or referring to the figures. If they are not willing, I will accept closure. I am satisfied that there has been sufficient discussion. I do not want to stifle any hon. Member who is prepared to throw a hint as to what ought to be done in this matter or get some explanation from the Minister.

Dr. Ram Subhag Singh: The main point about this sugarcane cess has been left out. The hon. Minister is going to make up the loss of the Government by imposing this cess on all the consumers. The capitalists, that is, the sugar magnates are going to be given the control price of all the carry-over sugar of 1951 and 1952. But what about the sugarcane carry-over of 1951 and 1952? You know, Sir, that sugarcane is not a seasonal crop. It lasts for about three years, or at least two years. The carry-over sugarcane of 1951 and 1952 is of a very significant amount, and I think that the hon. Minister should not do injustice like this to the cane-growers. He should make some provision at least for these cane-growers and see that prices are fixed on a parity basis. I think if he is going to fix any price for sugar, he should see that this carry-over sugarcane is also given sufficient price.

Pandit K. C. Sharma: I want simply to raise one point. So far as this levy is concerned, I have no quarrel with it, but I want to put one question, and that is this. Up to now agricultural operations have been what is called a "subsistence occupation". In the new economy, this has changed into an industrial enterprise. Is it in consonance with this position that all of a sudden 25 per cent. of the price of sugarcane should be reduced? It is very well to say that in the open market a price better than Rs. 1/5/- at which the sugarcane is sold to the mills, is not available, but it is the responsibility of the Government. I respectfully submit that a big Government like this cannot be run by random measures. It is a very sad commentary on the Food Ministry to come all of a sudden and to say that they are reducing the price of sugarcane by 25 per cent. Does the hon. Minister realise that the man who works in the field now is not the same who was working five years back. Undergraduates are now working on the fields......

An Hon. Member: Undergraduates?

Pandit K. C. Sharma: Yes. In Meerut district, you will find that they are cultivating a large area. They want better food, clothing and houses. Does the hon. Minister want to turn the clock back? Then, where does this Government stand? I cannot understand random measures being taken to meet occasions and exigencies all the time. The whole fabric of our rural economy has changed, and having this in view you have to adopt your measures, and take a scientific long-range view. Random measures would carry you nowhere. With all humility and respect for the hon. Minister, I beg to submit that it is a denial of systematic economic planning, and it carries the Government nowhere. Rather, it nullifies entirely the whole basis of any planned economy.

Shri R. K. Chaudhuri (Gauhati): This sugar is a subject on which I would like to dwell at some length. I hope you will allow the House to sit a little longer, so that the whole question may be thrashed out from all points of view.

I regert very much to observe that the younger section of this House and the lady Members of this House are not taking any part in this sweet discussion, I am sure that they are fortified with this idea that in their present age they need not depend upon sugar alone for the sweetness of life. But I would warn them because I am sufficiently old—let us be serious for one moment—that all sweet things in this world, whether it is the sweet fragrance of a flower, or the sweetness of beauty, fade away in time. They do not last long, but I have seen from my experience that the only sweetness which lasts is that in sugar. Like all sweet things......

Mr. Deputy-Speaker: The hon. Member must make a point.

Shri R. K. Chaudhuri: I want to impress on this House the importance of sugar, the undoubted importance of sugar. Sugar is elusive as any other sweet thing for a man who is advanced in age. Howsoever I may like to contribute to the increased production of sugar, I have no personal interest in this matter, because there are, I find, doctors who always advise that at this stage, you must abjure sugar as much as possible. (*Interruption*) Let me not disclose my private life here. In my private life, you will possibly find things to condemn, appreciate, and also to be jealous of.

Mr. Deputy-Speaker: The hon. Member may proceed to the second point.

Shri R. K. Chaudhuri: It is said that this addition of excise duty will not injure the consumer at all. It is, after all, the consumer in whom I am interested. I come to speak in this House as one of the consumers—not as a consumer myself, but for the consumers generally. I do not understand how the consumer would benefit if you add an excise duty to the duty which is already there under the Central Excise and Salt Act. Ordinarily, sugar is wanted only for babies. Sugar is quite essential for those babies who cannot be dependent on mother's milk alone.

I do not understand many things here in this House. For instance, in our State there is not a single sugar mill, although there is plenty of sugarcane in the State.

Shri Syamnandan Sahaya: And other sweet things too.

Shri R. K. Chaudhuri: The sugar enterprise was taken over by the Government because Government said that they would nationalise the sugar industry, and they stopped any Company from starting any sugar mill in the Province. The Government of India actually allotted some money for the purpose but afterwards they withdrew that money with the result that neither could the Government start a mill, nor were the people of the province allowed to do so.

Mr. Deputy-Speaker: I will now call upon the Minister to reply. The hon. Member has made two points.

Shri S. S. More: He has made three points.

Shri Tyagi: I am very grateful to the House for the good suggestions they have made, but it seems to me that there are really some misgivings, and more so because the House is quite well aware of the situation of the sugar industry and the conditions and the plight of the cultivator. As the House is directly their representative, naturally it is a matter which is of common knowledge, and everybody knows about it. Therefore, I value the suggestions which hon. friends have made. I do not want to take very long, I shall come to the reply straight.

My hon. friend Shri Krishan Chandra Sharma has rightly said that the cost of living of even a peasant has become very high compared to what it used to be in the past, and therefore the peasant can really not be content with a small income, but wants also his share in the development of the country. Surely, although I do not agree with him that only the undergraduates or the graduates have the prime privilege of having a higher standard of life. I do agree that the illiterate peasant also has the right to lead a better life with a higher standard of living. Anyway, the standard has gone high of late, and therefore it should be the policy of the Government to see that the interests of the cultivator are always safeguarded. In this particular case, I now shudder to justify the position, although many persons whose opinions I have always valued have differed on the question of the rating of the sugarcane prices, the fixation of sugar-cane prices, etc. probably because all facts were not placed before them or because they have not really faced the situation as it was.

As far as the price is concerned, it is like a wild-goose chase. I have been a Member on these Treasury Benches for a very small time, and with the little experience I could gain, I think it is very difficult to catch the price. I remember, in my younger days, I along with other little boys used to run after butterflies, with a view to catch them. I think catching a price is as futile or as fruitful on the part of a Finance Minister, as the attempt at catching butterflies in the fields. Some times the price follows the Minister, and some times the Minister follows the price. And there are so many elements which are involved in the fixation of the price.

Shri S. S. More: Is the hon. Minister making a speech on butterflies?

Shri Tyagi: That is likely because I come from wild places, I am a man of the meadows, and therefore I would talk of wild butterflies, contrary to the hon. Member who would like me to talk of other butterflies.

The old classical theory of "supply and demand" generally has its effects. And the gauging of the existing "purchasing power" which is a factor involved, is in itself a very tremendous task. In commodities which are of international importance, "international prices" also come into account. Then the element of "harvest" also comes in. Some times the harvest is good some times it is bad. And in the matter of agricultural commodities, another element also plays its part. It is the question of sister-harvests. Some times wheat pays more or is produced in abundance, and sometimes rice. The prices of sugarcane therefore fluctuate in sympathy with every other agricultural commodity. Then there is the "law and order situation" then "market morality". and then "labour trends". All these things combined with the "cost of living" have their own effects on market prices. Lastly, the "tastes of consumers" also are there. Previously people used to live mostly on *gur*, but now they have taken to tea, and therefore they require more sugar. (*Interruption*) My hon. friend is in favour of more tea because he looks in for something for his tea industry, but that is another matter.

Another point that was raised was this—what was the basis on which the price of Rs. 1/5/- per maund for cane was arrived at? As my other friends have put it, I myself feel, perhaps, that it will be rather hard on the cultivator, if we go down to Rs. 1/5/- immediately. The cultivators naturally must have sown their crops with the hope that they will get Rs. 1-12-0 per maund. and therefore on that expectation, they have speculated, and it will now be a shock to the cultivator to know that his expected income immediately falls rather adversely. I have to sympathise with this position, but in a matter of fixation of price, and coming to a conclusion thereon, it is not a question of arbitrarily fixing the price. There are many factors that have to be considered, and one has to make a complete study of all the elements that are involved, before one can come to some conclusion. You cannot always be guided by sentiment or by partially to one class of persons in society. There are so many factors that have to be taken into account.

The most important is the market price of the other parallel commodities. For instance, it will not be very illogical or irrelevant if in the determination of the minimum price of sugarcane one were to look into the trade trends of *gur* prices, and see how *gur* is behaving. Either cane goes into the production of *gur* or sugar. *Gur* had fallen down very low in prices, so low as Rs. seven per maund. There was also an occasion when it was selling at Rs. 29 per maund when cane had to be diverted towards sugar; sugar also was needed in the country. And as my hon. friend Shri Hiren Mukerjee has stated, sugar industry is the second biggest industry in the country, and whatever motives my friends may attribute, I may say, that surely it is the desire of the Government to see that sugar may also thrive side by side with *gur*.

Babu Ramnarayan Singh (Hazaribagh West): What are the factors considered in fixing the price of sugarcane?

Pandit K. C. Sharma: *Gur* fell down in price because of the transport bottleneck.

Shri Tyagi: I am not yielding, Sir. As I was submitting a little while ago, when *gur* prices fell very low in the market, it became a problem for the Government—what would happen to the cultivator? So the Government immediately came to his rescue, by allowing export of about 25.000 tons of *gur* which was in stock, and thus gave a fillip to raise the price in the market. Immediately the price rose from Rs. seven to about Rs. 13 or so, and my hon. friend the Commerce Minister came to the rescue of the *gur* industry because he permitted the exports. It is not our policy that the price of *gur* will first be maintained high in this fashion and then inflate the price of cane on this basis. Nor, are we prepared to leave the cultivators to the vagaries of the market. If now the price of sugarcane were calculated on the basis of Rs. seven per maund for *gur*, it would be found that the price of cane will become too low and uneconomic and I do not see any justification for it. So, it is for the Government to see that the cultivator gets enough margin of profit, and is able to make his living out of the sugarcane that he produces.

Shri S. S. More: What is the margin of profit at the price that has been fixed?

Shri Tyagi: I would say even as the Tariff Commission had reported last time, on the basis of the price of *gur* being nearabout Rs. 13, Rs. 2-10-3 was the manufacturing costs.

Shri S. S. More: May I bring to the notice of the hon. Minister the fact that the latest report is drafted in 1950, on the basis of the figures of 1947-48?

Shri Tyagi: I am talking of *gur* here. What the Tariff Board had found was that the manufacturing costs come to about Rs. 2-10-3, which means the price of *gur* minus the manufacture price was suggested to be the price of ten maunds of cane. On the basis of *gur* prices, the cane price comes to Rs. 1-4-3. So it is not out of sentiment that this rate has been fixed. My sympathy goes to the villager, and I come from a village myself, and if the price is increased, personally I will be the gainer, I have my own fields of sugarcane but I cannot really behave as many of my industrialist friends do; that I should always support my own personal interest or of my own kith and kin. So justice has to be done to all parties

Shri Gidwani (Thana): If the whole House is against the Bill, then why proceed with it?

Shri Tyagi: My hon. friend Dr. Ram Subhag Singh has raised the question of the "carry-over" of sugar-cane. I could not really follow what his point was. Unless it is kept somewhere in some cold storage, there could be no carry-over of sugarcane. If he means the *ratoon* crop, then my reply is: that once the sugarcane is reaped, there is no need for a second sowing. I must submit that the *ratoon* crop is always cheap, because the cultivator has no need to invest money in that crop for a second time. So if that crop is sold at a cheaper rate, I am sure not so much of injustice is done to the cultivator, as would be done if the fresh crop were sold at that rate. Therefore, as far as the carrying over of the *ratoon* crop is concerned, he need not be afraid.

5 P.M.

Then, my hon. friend, Mr. Hiren Mukerjee suggested that we must have the industry. I am very glad that he has appreciated that we must have the industry, and it is a good omen.

Shri Nambiar (Mayuram): We always appreciate.

Shri Tyagi: You go on appreciating. He has made a good suggestion. He says that for the development of the industry some statutory body should be set up. I am glad to announce that the Government have already decided to constitute a Development Council under the Industries (Development and Regulation) Act of my friend and the Council will soon be nominated. I hope they will take up the work which, my friends desire, should be done by a statutory body.

Shri Nambiar: Will the cultivator be represented in it.

Shri Tyagi: Yes, Sir. Now, he has said something about protection. Actually, sugar does not enjoy any protection *de jure* but *de facto* there is a revenue duty on the imports of sugar and that is as good as protection. But I hope the industry will read the writing on the wall and see how the representatives of the country are looking at the protection given. It is time that the sugar industry realised that the country is not prepared to go on giving them any protection for long and therefore, it must really stand on its own legs. Surely the industry cannot go on—I give this warning—taxing the people, the consumers, for long and it is time that they stood on their own legs. In this matter I can only give the assurance to the industry that when they attempt to stand on their legs we shall see to it that we help them so that we can soon release ourselves from our obligation to the industry and utilise that protection for some other industries.

Shri Gadgil: Anyway they will have their pound of flesh.

Shri Tyagi: They are in fact our own flesh.

Then, my friend, Mr. More, made some good suggestions. He wanted the data of cost of production. I am afraid, I cannot be very convincing to Mr. More. He knows quite a lot about it himself and it is not as if I could convince him by an argument in a minute or two. But whatever I had to say in the matter of fixation of price, I have already said. Perhaps it may or may not be very convincing to him. He said that there are small peasants with four acres or less and they contribute to the sugar cane factories. Well, they mostly manufacture *gur*. (*Shri S. S. More*: No no.). I am glad the smaller men are also taken care of by Members of Parliament.

Then, Sardar Lal Singh has said that we have not consulted anybody. Before this price was reduced, although it was a steep reduction—we consulted various State Governments. I may tell my friend that Punjab made the recommendation that it should be reduced from Rs. 1-12 to Rs. 1-8, Bombay recommended that it must be reduced to Rs. 1-4, Rajasthan was for reducing it to Rs. 1-4 and Madras said it must go down to Rs. 1-2. It is not as if the Central Government have taken upon themselves the responsibility of reducing the price. In fact the peasant class and agricultural production as a whole is the direct charge of the State Governments and, therefore, the Centre could not take any action in that regard without taking the States who are directly involved in the matter into consultation. (*Interruption*).

Shri Nambiar: There is so much of fall in Madras.

Shri Tyagi: I am grateful to my friend, Mr. Gopala Rao, also. His points have been replied to by my colleague, Mr. Kidwai, already.

Then, Mr. Tulsidas Kilachand made a good speech. I always have a great regard for the points he makes in this House and I am in sympathy with my friend. He perhaps has a factory of his own and he said that they are not having a profit of more than five per cent. I do not know......

Shri Tulsidas: I am sorry to say, Sir, he is not replying to my point. He is only trying to infer something which is not correct.

Shri Tyagi: I am talking without meaning anything between the lines. I was saying that one must naturally carry impressions from one's own surroundings. Unfortunately it has come to be so and the factories near about him are not able to give good dividends and therefore he says that the total dividend given by.........

Shri Tulsidas: What he says is completely irrelevant to the point I made. I made out the point that I am not for the industry at all. And the industry is completely opposed to my point of view. I may remind you, Sir, that I made out my point in the larger interests of the country. I feel very strongly, Sir, therefore......

Shri Tyagi: Taking the larger view of profits that the companies have earned. I might say that Ravalgaon have given a dividend of 14 per cent., in 1949-50 and 18 per cent. in 1950-51 and Walchandnagar Factory has given 12 and 14 per cent. to the shareholders. Like this there are others too.

Shri Tulsidas: He has not come to my point.

Shri Gadgil: When you know that they have earned huge profits in the past, why do you not ask them to review your contract with them to give the guaranteed price?

Shri Tyagi: Because it is really difficult, it is not possible for the Government to proceed on sentiments. (*Interruption*) On the basis of what they have made in the past, we cannot proceed. He also said that the recovery was going down. (*Interruption*). I must submit that it is not exactly so. Last year it was 9:57. But my friend said, it was only 8·6. My information is that it is not 8·6. The recovery was 9·57 at an average.

Shri Tulsidas: How do you compare it with the previous year?

Shri Tyagi: Then, about buffer-stocks. It is the intention to keep buffer-stocks to the extent of three lakh tons. This will be maintained with this primary purpose that whenever we find that the cost of sugar goes up—because after decontrol there will be no limit on the price—if the businessman or the manufacturer of sugar begins selling sugar at a very high price, then these buffer-stocks shall be made use of to reduce the price so that the consumers may not suffer. It is from that point of view that buffer-stocks shall have to be maintained and in this regard, we have taken a decision.

Mr. Jhunjhunwala said—some other friends have also made this point—that the cess was realised by the State Governments which were not rendering due service to the sugarcane growers, and the cess was realised at a very high rate. He said that the cess would come to Rs. two per maund. I might inform the House that it is not exactly so. This point was also made by Mr. Tulsidas and actually I have written this point under the heading 'Mr. Tulsidas'. So I will attribute this point to him. My information is that the Bihar Government has a separate fund for this cess—whatever they realise—and I also understand that they are using it cent per cent on development of cane areas. As far as U.P. is concerned, I have not got full information, but I am told that there was some correspondence with them and they have informed us that they are using a substantial portion of this cess in the development of cane areas and some portion of it is being used in the supply of water or some other facilities in the agricultural areas nearby where the same cultivators take the advantage. I am satisfied that the State Governments are not using it for their revenue purposes, they are not putting it into their Consolidated Funds but are keeping them separate and are making a fair use of these monies.

[Shri Tyagi]

Mr. Jhunjhunwala made a point, which might perhaps create some misunderstanding in the country. He said, when the duties were raised in 1943, 1944 and 1946, there were some stocks lying with the sugar factories. Why should Government have realised the additional duty on those stocks? Why did not the advantage go to the consumer or the cultivator to whomsoever it would go if the additional duty was not levied on the stocks which were carry-over? It must be fully understood that whenever any excise duty is levied, it is at the fag-end of the Budget year, and immediately it is imposed the whole sugar manufactured after that date will have that additional duty; so, that sugar will cost more than the sugar manufactured previously. If we do not impose duty on the whole stock—carry-over—then they will sell it in the open market or the black-market and draw the benefit of the duty. It was very essential that all the old stocks with the sugar factories should be equally assessed with the additional duty so that the advantage could not be drawn by the mill-owners or the business men. It is from that point of view that we have mopped off the marginal profit and brought it into the exchequer. It has not gone to the Consolidated Fund or the regular revenues. I must clarify the position. That all revenue out of these additional duties comes to a total of Rs. 412 lakhs. Out of this, about Rs. 75 lakhs have been earmarked on Five Year Cane Development Plans. Rs. 209 lakhs have been spent in all, fifty six lakhs on Five Year Schemes, 50 lakhs have been allotted to Bhadruk Technical Institute where sugarcane and sugar research is to be carried on; 103 lakhs have been spent on wage increase. During the course of the sugar season there was an award given for raising the wages of the labourers and this amount has gone for raising the wages of labour. Seventy lakhs has been earmarked for other variations. There are still Rs. 133 lakhs left out of which one crore has been earmarked for development schemes which have been recommended by the Planning Commission. So, all this money received has not been taken to the general revenues but has been otherwise used for the development of sugar.

Since it is my desire to finish today, I commend the Bill for consideration.

Shri Syamnandan Sahaya: May I know from the hon. Minister whether it is only for one year: then why not limit it to 1952-53?

Shri Tyagi: I may make a statement. It is not the desire to continue it for a long period. These stocks are rather our stocks. Now, we have to throw them into the market. It cannot sell on its original price since we have decided to reduce the controlled rates of sugar. In case there is some surplus left and that is exported we have to give it also some subsidy because it has to compete with foreign sugar.

Mr. Deputy-Speaker: Hon. Members have been asking why when the quantity of sugar taken in the country is so low, there should be encouragement for export.

Shri Tyagi: If it is consumed in the country, no harm. If it is not, then the surplus stocks must go outside. There is a great necessity these days, Sir, in my Ministry for trade balances. That is why we are keen that export should be encouraged. As I have stated, no savings or revenues are desired to be made out of this levy. Apart from reduction, of local prices, it may be diverted towards making good the losses on export. Otherwise there is no intention of continuing it for a long period. That is my hope that next season we need not have any duty.

Mr. Deputy-Speaker: The question is:

> "That the Bill to provide for the levy and collection for a temporary period of an additional duty of excise on sugar, be taken into consideration."

The motion was adopted.

Mr. Deputy-Speaker: So far I have received notice of no amendment. I am not allowing any amendment which is sent only today, because it is out of order for want of notice. There is one that clause 3 be deleted. It is not in order.

Clause 2 was added to the Bill.

Clause 3—(*Levy and collection etc.*)

Shri Ramaseshaiah (Parvathipuram): May I make a speech on this, Sir.

Shri Gadgil: It should be taken up tomorrow; it is already 5-20.

Mr. Deputy-Speaker: The hon. Member may move his amendment; otherwise I will take it that he is not moving it,

Shri Ramaseshaiah: I beg to move:

In page 1, line 25, omit "and six annas".

Instead of Rs. 1/6/-, Re. one may be retained.

Mr. Deputy-Speaker: It is letting go the elephant and catching hold of the tail. Is it necessary to press the amendment?

Shri Ramaseshaiah: Yes, Sir.

Shri Syamnandan Sahaya: Probably he wants to make a long speech.

The House then adjourned till a Quarter to Eleven of the Clock on Thursday, the 20th November, 1952.